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NATIONAL MASS TRANSPORTATION ASSISTANCE ACT OF 1977

95-1

HEARINGS

BEFORE THE

SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

OF THE

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS UNITED STATES SENATE

NINETY-FIFTH CONGRESS

FIRST SESSION

ON

S. 208

TO AMEND THE URBAN MASS TRANSPORTATION ACT OF 1964 TO EXTEND THE AUTHORIZATION FOR GRANTS UNDER SUCH ACT, AND FOR OTHER PURPOSES

FEBRUARY 23, 24, AND 25, 1977

Printed for the use of the Committee on Banking, Housing and Urban Affairs

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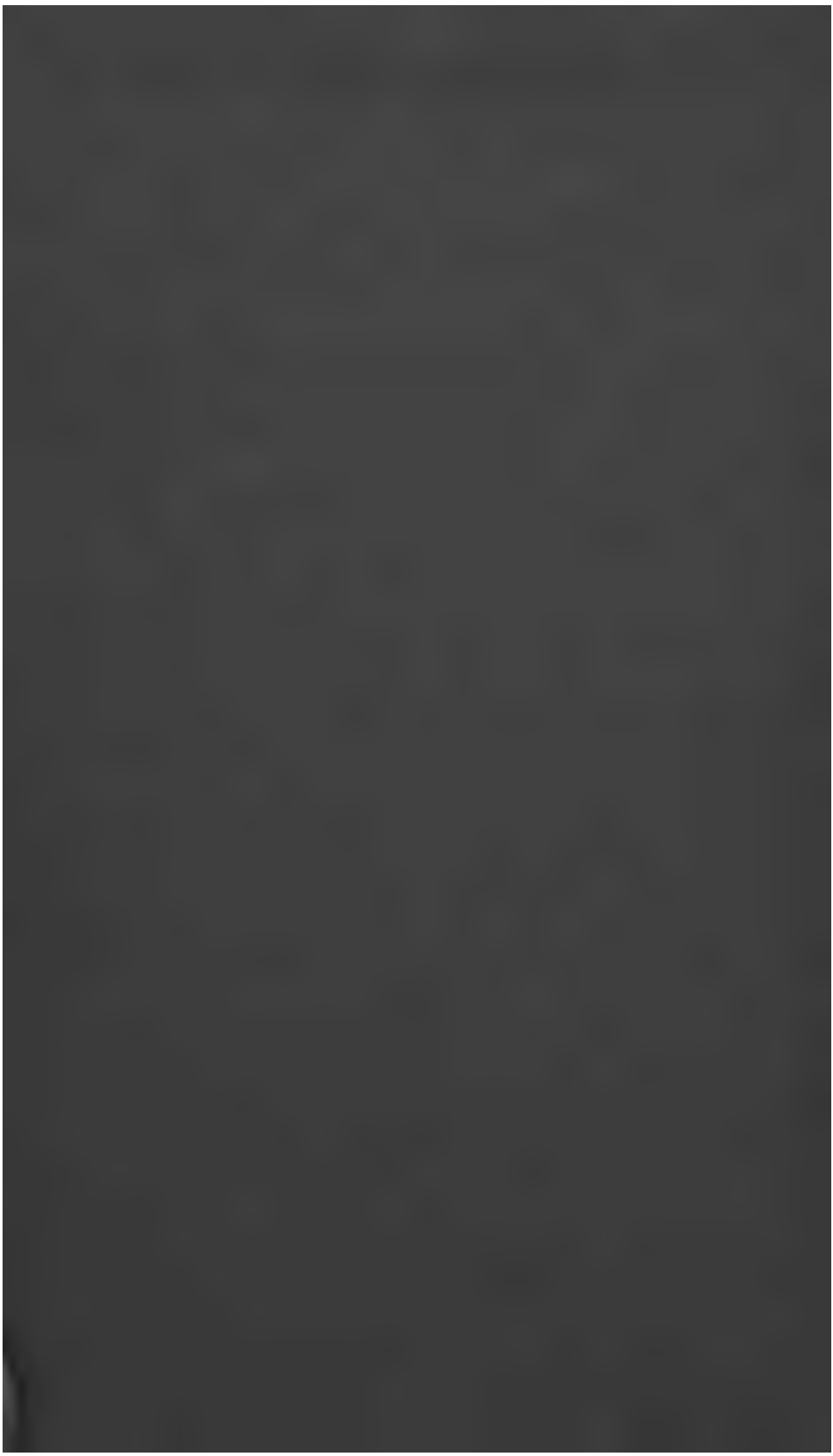

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NATIONAL MASS TRANSPORTATION ASSISTANCE ACT OF 1977

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NATIONAL MASS TRANSPORTATION ASSISTANCE ACT OF 1977

WEDNESDAY, FEBRUARY 23, 1977

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS,
Washington, D.C.

The subcommittee met at 10 a.m. in room 5302, Dirksen Senate Office Building, Senator John Sparkman (chairman of the subcommittee) presiding.

Present: Senators Sparkman, Williams, Morgan, Sarbanes, Heinz, and Schmitt.

OPENING STATEMENT OF SENATOR SPARKMAN

Senator SPARKMAN. Let the committee come to order, please.

Senator Schmitt is on his way, I understand, and will be here soon. I always like to have representation on both sides but he will be here.

I suppose everybody knows the purpose of this meeting. It's a meeting of the Subcommittee on Housing and Urban Affairs and today we starts hearings of 3 days duration on the National Mass Transportation Assistance Act of 1977. The legislation introduced by Senator Williams makes a significant revision in the existing law and provides increased authority for Federal assistance to States and local governments to help them improve public transportation. The Federal Government has for over a dozen years now provided such financial assistance.

In 1964, grants and loans were authorized to help States and local bodies acquire, construct, and improve facilities in urban areas.

In 1970, the existing program for providing capital assistance was enacted. In 1974, grants for maintaining and operating public transit services were authorized together with a formula for distributing funds among different areas. Last year, Senator Williams introduced legislation to make Federal assistance available for operating transit projects in rural areas and to meet the special needs of elderly and handicapped citizens. The committee reported the bill to the Senate. The Senate passed the measure in September and it was referred to the House Committee on Public Works and Transportation but no further action was taken on the bill.

The need to review and improve our public transit legislation is evident in almost every community in the Nation.

Energy conservation requires that we find an alternative to the private automobile for traveling to work, to school, and to the store and,

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I might add, to the Senate. Public transportation is not only energy efficient but it is in addition environmentally efficient and supportive of sound community development.

I'm pleased that Senator Williams has again proposed legislation to improve our Federal public transportation program.

I want to say this, just to make a few supplementary remarks. Senator Williams is really the father of mass transportation in all of its phases in all of its developments. I remember when Senator Williams introduced his original bill and it might have gone to some other committee, maybe to the Labor Committee of which he's the chairman, but be that as it may, I suggested to Senator Williams that instead of carrying that as an individual bill that he make it a title in our overall housing bill that we had that year. He did that. It was enacted without visible opposition and that started the mass transportation program in this country and Senator Williams has carried on from that time to now not only maintaining the original program but improving it every step along the way. Senator Williams is entitled to commendation and congratulations for the tremendous leadership that has exercised in this field and, Senator Williams, I ask you to come over here now and take the gavel and bring your name plate with you.

Senator WILLIAMS. Before you leave, Mr. Chairman——

Senator SPARKMAN. I'm not leaving right away.

Senator WILLIAMS. I want to reminisce a little just for a moment, too. I remember the beginning of our program in 1961 when I suggested that this was a natural program for consideration by this committee that had all of the other urban programs. You were the first to join and persuade those that were a bit reluctant that transportation belonged in Banking and Currency. We did persuade our colleagues that transportation was an integral part of urban affairs and our colleagues still agree.

Senator SPARKMAN. May I add also that the concept was developed that urban transit did not mean just streetcars. That's about all we had at that time.

Senator WILLIAMS. That was the year, 1961, when it was part of the housing bill here, but not in the housing bill in the House. They had another program, open space, which we didn't have. It was narrowly defeated here and, Senator Sparkman, as our chairman, was the architect of the compromise. If the House could accept our transit we would accept their open space, and that was the beginning of both programs.

Senator SPARKMAN. Good things probably come about by compromises.

Senator WILLIAMS. And I recall that the compromise was with a great friend of all of housing and all of its ancillary parts, Albert Rains, and I recall a dramatic dispute you and Albert had just prior to your agreement.

Senator SPARKMAN. Albert was chairman of the Housing Committee over there and I was over here. I remember one time we chaired a bill to the floor and Senator Clark of Pennsylvania said when we took it up, he said, "Well, there's not much need of saying anything on this because when I came here this January I sought out my friend John Sparkman and talked to him about housing and he said at that time just what we were going to do in housing that year," and he said, "You

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know, this bill that's before us now is exactly what he told me was going to happen." He said, "I knew it was going to happen because Albert Rains on that side and John Sparkman being on this side, being from the same State, were going to work it out." So we passed the bill.

Senator WILLIAMS. Happy memories.

Senator SPARKMAN. Well, we live on them. When you get my age you live greatly on them.

OPENING STATEMENT OF SENATOR WILLIAMS

Senator WILLIAMS. Mr. Chairman, I would like to make an opening statement as we begin these important hearings.

While public transit has at long last begun to provide urban areas with transportation alternatives to the automobile, the urban mass transportation capital grant program is at the present time fiscally bankrupt.

Pledges and commitments made over the past year to cities such as Baltimore, Philadelphia, Detroit, Miami, and Buffalo have all but depleted the capital assistance program. And the time-honored budgetary concept of full funding has all but disappeared from the Department's fiscal accounting procedures—a concept which I strongly urge this administration to reinstitute. In fact, if the UMTA program were to be funded through 1980 at its current level of $1.2 billion annually, a $1.1 billion deficit would occur. Obsolete equipment, out-of-date facilities and no new transit starts would be the predictable results.

It is obvious even to the most uninitiated that if we are to continue the trend of transit improvements, and the construction of new modern systems, the new long-term funding provisions contained in S. 208 are vitally needed. The pledge made by the Congress in 1970 of uninterrupted and assured Federal funding of major transit projects must not be forgotten.

As we go through one of the most severe winters in memory no one can forget the need to conserve energy. Transportation accounts for 25 percent of our Nation's total energy consumption and for 52.6 percent of our total petroleum use. Cars in cities alone consume 34.2 percent of the transportation total. The average commuter automobile carries 1.4 people and is one of the least efficient energy-consuming modes of transportation. In sharp contrast, in terms of passenger-miles per gallon of fuel, a bus with 30 passengers is six times as efficient to operate and a subway car with 35 passengers would be seven times as efficient.

These figures alone, in my opinion, justify the need to carry out the pledges made by ex-Secretary Coleman to various cities for Federal aid in the construction of new rail transit systems. And while most of us agree that new and increased funding is needed both for the capital grant and operating assistance programs, all too frequently we are now hearing from men of good faith the call for unified or consolidated transportation budgets or for a new great trust fund in the sky. These clarion cries only mean more delay, more confusion, greater energy consumption, and less efficient urban mass transportation. Actions not words are what are needed now.

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Good urban transportation provides mobility; it creates land values; it is an essential part of our manufacturing and distribution system. And it is the instrument by which communities can fashion the shape and future of their cities.

Our cities must look to the Federal Government for substantial financial contributions toward their transportation costs—in both the areas of capital investment and operating assistance. And these cities have in fact a strong claim on massive Federal help for transit improvements. Cities are the primary centers for trade and industry thus creating wealth for all of our citizens. Taxes from these activities form a high proportion of our national revenues. Therefore, the continued maintenance of our cities' prosperity, of which efficient mass transportation is an essential ingredient, is obviously in the best interest of our entire Nation.

The legislation before us today is the only proposal pending before the Congress to deal with our current transit crisis in a comprehensive, long-term manner. Not only does it update and extend the capital grant program at realistic dollar figures but it also creates a discretionary fund to alleviate the inequities contained in the operating assistance formula grant program. Many of our largest cities which have made the most important and innovative transit commitments have been badly short-changed by the operating assistance formula. This formula makes no allowances for system miles or passengers carried but is based solely on population factors. The $250 million annual discretionary fund contained in S. 208 is intended to supplement the formula grant program to provide additional funds to these needy cities.

S. 208 would also provide operating assistance funds for cities of under 50,000 in population; accessible, public transportation facilities for the elderly and the handicapped, and update requirements which would effectively create the means for the Congress to review the urban mass transportation program every 2 years.

Modern mass transportation systems are now under construction and in the planning stages in many cities throughout our Nation. The Federal commitment contained in this proposed legislation will encourage these cities in their endeavors and give impetus to others to provide improved urban mass transportation. If we are to reach our national goals of alleviating air pollution, traffic congestion, rebuilding our inner cities, and resolving the energy crisis, the Congress' No. 1 priority must be the enactment of affirmative urban mass transit legislation.

Mr. Chairman, we have two charts displayed here and I would think it worthwhile to take another moment to give a little of the background and bring us up to feeling why it is necessary to display our fiscal situation in transit this way.

The essential purpose of these hearings is to examine the status of financing major urban mass transportation projects. During consideration of legislation that led to the 1970 amendments to the Urban Mass Transportation Act of 1964, the point was continually made by all witnesses that there's a need for a Federal aid program that can provide for long-term commitments.

In 1970 we supported Secretary Volpe. Congress responded by authorizing a lump sum contract authority. The 1970 act authorized $3.1

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billion of obligational authority to be available for obligations when needed with no yearly limits. The Congress stated its intention to review needs and authorize additional authority of $3 billion in 1973 and $4.8 billion in 1974, both times with the support of the administration.

In practice, actual obligations were controlled by the traditional budget and congressional appropriations process. Thus, the President's budget proposed a level of obligations for the coming year and the Congress provides a ceiling in the Appropriations Act. However, in funding major transit projects a decision was made by Secretary Coleman not to seek an obligation of the entire cost of the project at the time of its approval by the Secretary. Instead, starting in 1975, the Department developed a method of going to fund a project, then making a pledge of a certain sum of Federal dollars or, similarly, the Department made a commitment in principle to a project and a maximum sum of Federal dollars. The entire amount of the project was not immediately deducted from UMTA's budget.

In short, full funding was not followed. This meant that the Federal Government pledged existing budget authority to a project and announced its intention to make obligations for this project over the following years as it was made available by the budget appropriations process.

To understand the status of transit funding, one must now consider not only the legislated authority and obligations, but also the pledges and commitments that have been made. For this reason, I have asked the staff of our committee to prepare the two charts that are here displayed.

One chart lists the urban area and date of all pledges and commitments that have been made. The making of these pledges began in 1975 and total $4.137 billion. During each year actual obligations have been made to finance portions of the pledged projects. The outstanding pledges and commitments each year are referred to in the chart as net pledges and commitments. The last column lists areas which have projects or groups which have reached the stage where funding commitments will be requested.

The second chart traces the balance of the funds available for major urban mass transit projects.

The 1974 act added $4.825 billion in new authority for the capital grant program which was added to the carryover of $3 billion, thus making $7.825 available beginning in fiscal year 1975. When you subtract $700 million to finance planning, research, and development, salaries and expenses, there remained $7.125 billion for capital projects beginning in fiscal year 1975. The table traces the total obligations and the net pledges and commitments made in each fiscal year. The balance in the fund indicates the amount of dollars which have not been obligated, pledged, or committed.

I think, Mr. Chairman, that this is the simplest way to describe a rather difficult, rather complex fiscal picture and it is the foundation for our consideration of this bill, S. 208. In view of all of this and in view of the national commitment to urban mass transportation, it impresses me that this legislation is vitally needed now.

Senator SPARKMAN. Senator Tower was unable to attend the hearing today. We have his opening statement which we will insert in the record at this point as though read.

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OPENING STATEMENT OF SENATOR TOWER

Senator TOWER. These hearings are important in many respects. I think the time has come for critical examination of our transportation programs. Over the last couple of years, the amount authorized for UMTA has increased significantly. Today, we have legislation before this committee that provides for over $15 billion in new authorization.

I am sure we will hear testimony that this is not nearly enough to provide decent transportation facilities now or in the future.

My concern, and I think the concern of everyone on the committee and in the Congress, should be to ask how these funds are being and will be used. I hope these hearings will provide specific information on this subject.

New rapid transit systems are proving to be tremendously costly. Could a city provide equal or better transportation services by improving its bus system or some other mode, than by creating a new rapid transit system? Should density control UMTA's decision as to what kind of a system will be funded by UMTA, regardless of what a city wants?

I think the method used in funding transit project needs some strong examination. Currently, the Congress authorizes and appropriates funds to be committed in a particular fiscal year. UMTA, however, has circumvented this process. It has made full-funding commitments guaranteeing a city several hundred million dollars, when in fact, the funds had not yet been authorized or appropriated. Telling a community it will receive funds in the future, when in fact they have not been authorized, can easily lead to dashed hopes and more importantly, financial detriment to the community should Federal priorities change or funds not be forthcoming.

I can understand the need for a city to have the assurance that it can complete a project once started. To accomplish this, however, the funding process must be changed. Perhaps a transit trust fund should be created. Perhaps only a few, but very large, grants should be made each year. I do not have the answers but I hope these hearings can provide some guidance as to how to fund applicants for capital grants.

Even more important than the section 3 capital grants program, however, is the future of the section 5 operating subsidy program. Just a couple of years ago, we authorized almost $4 billion in operating subsidies. This was to last for 6 years, through 1980, or an average of about $660 million per year. Now, this proposal seeks to add almost $6 billion to take us through 1982.

Now I am sure there is an urgent need for continued funding of this program, but since its inception, I do not think this committee has had any evidence, positive or negative, regarding its implementation. And I cannot see how we can approve additional billions of dollars without this much needed information.

I was impressed by a comment which former UMTA Administrator, Bob Patricelli made in a speech last fall. He said:

*** * * the transit industry has been faced with substantial cost increases due to inflation, modest cost increases due to real growth in wages, and flat productivity. At the same time average fares have increased only slightly and have actually**

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declined in constant dollar terms. * * * The alternative to productivity improvement as funds run short is service cut-backs and lay offs, an option which is attractive to no one * * *

My concern is that some would view more operating subsidies as the solution to nonproductivity.

Another area of concern to me is the manner in which the Department of Labor has implemented section 13(c) of the UMTA Act. This provision is designed to protect employees who are adversely affected by UMTA grants. While S. 208 does not contain any provision amending section 13(c), like the capital and operating subsidy program, I think we must look at how this law has been implemented.

As a result of the tremendous problems we had in Dallas regarding section 13(c), over 2 years ago I asked the GAO to investigate this matter. They found that the Labor-Management Services Administration (LMSA) of the Labor Department had a close relationship with the international union officials. GAO also found that of the unions surveyed, 100 percent thought they were receiving the protections required under law, while 75 percent of the cities thought they were at a disadvantage in negotiating with the unions. This is obvious proof of an imbalance in the manner in which the Labor Department has implemented section 13(c).

And there has apparently been no change by the Labor Department in recent months. I think Senator Schmitt can relate the problems that Albuquerque has been experiencing recently.

I am hopeful that we can get information in this area during these hearings. I cannot help but think that unnecessary delays resulting from the implementation of section 13(c) results in increased costs to a city's capital or operating program.

Senator WILLIAMS. Our first witness, Mr. Chairman, is the Honorable Robert W. Edgar, Member of Congress from the suburban area of Philadelphia, Pa. He will be followed by John M. Belk of Charlotte, N.C.

Congressman Edgar, I mentioned to you as we greeted each other before the hearing began that the region you represent has been significant through the last 16, 17, 18 years of development of the national effort in mass transportation and we are very pleased to have you here.

STATEMENT OF ROBERT W. EDGAR, U.S. CONGRESSMAN FROM THE STATE OF PENNSYLVANIA

Mr. EDGAR. Thank you, Mr. Chairman. It's a pleasure to be here this morning. I'm a member of the House Surface Transportation Subcommittee and very interested in many of the proposals that you have represented in the S. 208. It is a pleasure and an honor to be the first witness before the subcommittee to discuss some thoughts on the reform of transportation policy. I commend the subcommittee for recognizing the importance of quick consideration of the many reforms suggested by Senator Williams in S. 208, the "National Mass Transportation Assistance Act of 1977." I testify as a supporter of many of the provisions of S. 208, and I hope to work on behalf of these ideas as a member of the Surface Transportation Subcommittee of the House Public Works and Transportation Committee.

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Before making specific comments on S. 208, let me state my hope that this Congress will begin the arduous process of reviewing all Federal transportation statutes with a view toward developing comprehensive policies to address the needs of intercity transportation, rural transportation, and urban transportation.

I prefer this coordinated and comprehensive approach over the past practice of developing one law for one mode of transportation, and a separate law for another mode of transportation. I hope we will steer clear of developing a long-run transit policy. Rather, I would prefer to see the Congress develop a comprehensive set of amendments to implement a long-run urban transportation policy.

S. 208 is a mass transportation assistance bill and thus deviates from the direction I would like to see the Congress take. However, this bill addresses an immediate need—the need for increased transit capital spending in fiscal year 1978—and thus it is essential that it be considered now rather than postponed until Congress gets around to the framing of a more comprehensive bill.

Because I recognize the need for immediate action, I hope this subcommittee will report some kind of transit assistance bill soon. I do, however, recommend against making long-run extensions of urban mass transportation programs, and suggest that S. 208 be amended to authorize programs through fiscal year 1979, and not beyond. Passage of this bill should not detract from efforts to develop a more comprehensive urban transportation policy. I might footnote that by noting that Brock Adams, our new Secretary of Transportation, is planning a more comprehensive direction. I think we need to give him some time to get his feet on the ground and help in the development of this national policy.

[Complete statement of Congressman Edgar and a copy of the bill being considered follow:]

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STATEMENT OF

THE HONORABLE ROBERT W. EDGAR

Mr. Chairman, I am pleased and honored to be the first witness before this Subcommittee to discuss some thoughts on the reform of transportation policy. I commend the Subcommittee for recognizing the importance of quick consideration of the many reforms suggested by Senator Williams in S. 208, the "National Mass Transportation Assistance Act of 1977." I testify as a supporter of many of the provisions of S. 208, and I hope to work on behalf of these ideas as a member of the Surface Transportation Subcommittee of the House Public Works and Transportation Committee.

Before making specific comments on S. 208, let me state my hope that this Congress will begin the arduous process of reviewing all Federal transportation statutes with a view toward developing comprehensive policies to address the needs of Intercity Transportation, Rural Transportation, and Urban Transportation.

I prefer this coordinated and comprehensive approach over the past practice of developing one law for one mode of transportation, and a separate law for another mode of transportation. I hope we will steer clear of developing a long-run "transit policy." Rather, I would prefer to see the Congress develop a comprehensive set of amendments to implement a long-run "urban transportation policy."

S. 208 is a mass transportation assistance bill and thus deviates from the direction I would like to see the Congress take. However, this bill addresses an immediate need-- the need for increased transit capital spending in fiscal year 1978-- and thus it is essential that it be considered now rather than postponed until Congress gets around to the framing

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Because I recognize the need for immediate action, I hope this Subcommittee will report some kind of transit assistance bill soon. I do, however, recommend against making long-run extensions of urban mass transportation programs, and suggest that S. 208 be amended to authorize programs through FY 1979, and not beyond. Passage of this bill should not detract from efforts to develop a more comprehensive urban transportation policy.

What S. 208 should do, and must do, is allow the Secretary of Transportation to continue making obligations under the Section 3 program at a reasonable rate. If the Secretary is not given additional authority, he will be unable to make commitments for new starts on major transit projects, and he may be unable to consummate commitments already made.

My concern is that the Section 3 program should continue rather than slow down. In the Philadelphia urbanized area, in which my Congressional district is found, there is a tremendous need for capital improvements above and beyond those which have already been funded under the Section 3 program. Most important to our area is a proposed fixed-transit revitalization program that will cost somewhere between $400 and $800 million. This is not a grandiose program for new subway lines. It is a program to keep what we have from falling apart. The need will not go away. It will only grow worse with inattention.

Other large metropolitan areas have similar needs. And, of course, many areas can justify the construction of new systems but cannot move forward without partial Federal funding. I am sure that the Subcommittee

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will receive testimony from many transit operators outlining their needs. The Subcommittee will also receive testimony from the American Public Transit Association, which has examined the current Section 3 program and has found disturbing evidence that the program has bankrupted the Urban Mass Transportation Fund well ahead of schedule.

Rather than duplicate testimony you will receive later this week, I will offer some specific suggestions on S. 208:

1) As mentioned previously, I would change Section 3 of S. 208 to provide the Section 3 program with a two year authorization of $4 billion—$1.9 billion for FY 1978, and $2.1 billion for FY 1979. Hopefully, a comprehensive urban transportation bill developed by this Congress will address the question of extending the Section 3 program into the 1980's.

2) Section 5 of S. 208 extends the Section 5 program to September 30, 1982. So as not to interfere with our options in developing a more comprehensive operating assistance policy later this session, I would recommend that the current Section 5 authorizations, which extend to FY 1980, stand.

3) I agree with the premise of S. 208 that a separate pool of Section 5 funds should be available to the Secretary of Transportation for disbursement to areas which have a particularly intense need for additional operating assistance. Among other things, Section 5 of S. 208 will permit the Secretary to channel additional operating assistance to areas hard hit by the withdrawal of Federal subsidies to Conrail under Section 17 of the Urban Mass Transportation Act of 1964.

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However, I disagree with the concept of giving the Secretary complete discretion to allocate this additional Section 5 assistance as he chooses. Every urban area in the nation will likely decend on the Department of Transportation, cup in hand, to get a piece of the action.

I propose that Section 5 of S. 208 be amended to instruct the Secretary to allocate these additional Section 5 funds to each urban area on the basis of a formula, which the Secretary would devise, based on passenger miles of public transportation service, and such other factors as he feels appropriate. I believe that we would be doing the Secretary a favor by constricting his options slightly as far as this new authorization is concerned.

I also believe that any assistance offered under this section of S. 208 should be offered only on the understanding that the recipient urban area is making reasonable progress in developing improved state and local funding sources to underwrite transit operating deficits. The Secretary should be authorized to use the leverage of Federal grants approval in getting each urban area to develop a predictable, permanent state or regional funding mechanism for transit operations.

Despite current maintenance of effort provisions under Section 5, few transit operators have developed the kind of predictable local funding base that is necessary for the effective planning and operation of transit services.

4) Section 8 of S. 208 amends Section 12 of the Urban Mass Transportation Act of 1964 to permit the funding of project design and engineering work under Section 3. This change is extremely important and will enable

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states and local public bodies to develop better project proposals and capital improvement programs. I would also specify under this section, that "Environmental Impact Studies" are eligible activities under Section 3, so that future projects are not delayed because of inadequate funding for these analyses.

5) I would like to suggest a clarification of eligible activities under Section 3 and Section 5. I believe that the Urban Mass Transportation Act of 1964 should be amended to specify that paratransit projects, such as commuter vanpooling, carpooling, dial-a-ride, and subscription bus service, are eligible activities under these sections. This amendment would be consistent with the UMTA proposed policy statement published October 20, 1976, entitled "Paratransit Services." The statement proposes Section 3 and Section 5 funding for paratransit modes. I agree with the statement articulated in the proposed policy that—

> "...paratransit—flexible, collective transportation services, operated publicly or privately and using small or intermediate-sized vehicles— has an important role to play in such a unified transportation system. Its various forms, when properly designed and implemented as part of an areawide transportation plan, can satisfy a wide range of transportation needs that would otherwise remain unmet or provided for less effectively. In rural America, in small towns and in suburban communities where population densities are low and travel patterns diffuse, paratransit will often be the most economical form of local public transportation. In many communities large and small, paratransit can offer the best means of serving the needs of elderly, young, and handicapped persons, and those who do not own cars and have no convenient access to regular public transportation..."

There are exciting and innovative forms of transportation which are bridging the gap between private transportation and public mass

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transportation. These new modes, are being categorized as "paratransit", and include commuter ridesharing, in its forms of carpooling, vanpooling, and buspooling; dial-a-ride; and jitney service. In general, they are very flexible and cost-effective. In the case of commuter vanpooling, programs are paying for themselves out of participant fees. Already, over 800 commuter vans are operating. Van manufacturers are having a difficult time coping with the heavy demand for vehicles. The Commuter Computer program in Los Angeles, for example, operates 70 vans. They have 200 vans on order.

Unfortunately, there are many obstacles in the way of expanded reliance upon paratransit. There are problems with over-regulation, unavailability of insurance, and over-strict labor standards. But perhaps the largest barrier to the introduction of successful paratransit programs is financial. Although a typical program requires only meager funding for start-up and operation, federal funding is presently inadequate. Other than revenue sharing, the only funding available for vanpooling programs are irom state highway apportionments. Many states do not take advantage of this opportunity. In the first two years that this funding source was available, $10 million was set aside by 28 states and Puerto Rico for carpool demonstration projects. Under the new highway legislation, these funds can now be used for vanpooling projects. There has been much progress where funding has been available. There is a $7.5 million program authorized for carpooling and vanpooling demonstration projects, but the funds have never been appropriated.

On January 4th, I introduced H.R. 869 to provide a stable and

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adequate source of funding for ridesharing. The bill, the "Federal-Aid to Ridesharing Act of 1977," also articulates a national ridesharing policy, and consolidates Federal ridesharing activities under one roof within the Urban Mass Transportation Administration. Twenty-one Members of the House of Representatives have cosponsored this legislation. But until legislation such as H.R. 869 is enacted, there needs to be a source of funding which existing programs can turn to when their demonstration grants are exhausted, and a source of funding for new programs to tap other than highway funds which, in most cases, have already been earmarked for highways.

Mr. Chairman, attached to my statement is an appendix describing commuter vanpooling and its many benefits.

6) I would like to also bring to the attention of this Subcommittee an amendment I introduced to H.R. 3155 last year which my committee colleagues and I believe has merit. The amendment authorizes a study of the transportation component of social service programs by the Department of Transportation. Recommendations would be sent to the Congress based on the study, to centralize, consolidate, or modify these programs to make the delivery of transportation more efficient and cost-effective.

The amendment received favorable comment from former DOT Secretary William Coleman, and was approved by the Surface Transportation Subcommittee. The 94th Congress adjourned before action on the legislation could be completed.

This amendment has been applauded by many organizations who

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are committed to improving social service transportation for our citizens. Many of the ideals of H.R. 3155 are embodied in section 11 of S. 208, and I feel it would be very appropriate and desirable for the Subcommittee to include the language of this amendment in this bill.

Mr. Chairman, I am inserting the text of the amendment at this point in my statement:

STUDY OF FEDERAL SOCIAL SERVICE TRANSPORTATION

Sec. ____ The Secretary of Transportation is authorized to study the transportation component of those Federal programs and projects providing social services. Upon completion of such study, the Secretary shall propose a plan to centralize or modify the transportation component of such Federal programs and projects to make the delivery of transportation services financed by Federal funds, in whole or in part, more efficient, more cost-effective, and to avoid duplication of services by furthering cooperation among all Federal departments and agencies with jurisdiction over such transportation services. On or before _____, the Secretary shall report to the Congress such study, together with legislative and administrative recommendations, and additional reports and comments as the Secretary deems appropriate.

Mr. Chairman, I once again wish to thank you and the Subcommittee for inviting me to testify on this important legislation, and I am pleased to respond to any questions you or the other Members wish to ask.

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APPENDIX

For the benefit of Members on the Committee who may be unaware just what commuter vanpooling is and what its benefits are, I would like to use this appendix to discuss it.

The commuter vanpool program was pioneered by the 3-M Company in April, 1973. In a typical employer-sponsored program, the employer purchases vans and arranges for an employee driver to manage the van's operation. Employees are matched to a convenient van route, and they are transported to and from work. The riders are charged a fee based upon the cost of operating and maintaining the van, and the vehicle's amortization cost. The driver receives a free ride and use of the vehicle on weekends. No subsidies are necessary, unlike conventional forms of mass transit. The vanpool is rarely in competition with mass transit because the average vanpool trip is nearly 25 miles, one way. The private automobile is usually the only alternative for vanpool participants and it takes little imagination to think of the benefits to the company, the participants and the public in general.

According the the Federal Energy Administration, each of the 800 commuter vans currently operating saves an average of 5000 gallons of gasoline each year. Twenty-seven percent of commuters travel more than ten miles to work one-way. Yet this small segment accounts for 68 percent of vehicle miles traveled, according to FEA statistics. It is clear to me that paratransit modes can play a constructive role in reducing vehicle miles traveled by raising the average vehicle occupancy. We in government must be very sensitive to any innovations which can reduce our dependence upon foreign imports. Transportation has historically

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been very energy-inefficient. I am convinced that paratransit in general, and commuter vanpooling in particular, can make significant contributions to diminishing our energy dependence.

There are numerous other benefits. Air quality could be improved if commuters abandoned their cars for the vanpool. On the average, each commuter van reduces carbon monoxide emissions by 1.5 tons each year, and hydrocarbon emissions by .2 tons each year, according to the Environmental Protection Agency. Ridesharing plans may be a component of State Implementation Plans which are required under the Clean Air Act. In Boston, EPA has required employers in the metropolitan area with over 1000 employees to publicize the benefits of vanpooling, and initiate a program for employees who are interested in participating in a program.

Traffic congestion can be reduced significantly when each van replaces six automobiles. Over $7 million in road construction costs are being saved because an aggressive vanpool program in the State of Tennessee has allowed a two lane highway to a nuclear plant site to substitute for a four lane highway.

Participating employers are finding that they don't need to build as many parking spaces when their employers are vanpooling. They also report that their labor pool is increased, because workers without personal vehicles who live in remote areas can conveniently be transported to work.

Some vanpoolers are motivated by the idealism of saving energy, reducing pollution load, and relieving traffic congestion. But most are

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attracted to the significant savings on commuter costs which they experience by sharing the ride. Participants in a 9 person commuter vanpool can reduce their monthly commuting costs from $136.65 to $39.87 for a 60 mile round trip to work, according to the FEA. This is almost $1100 each year in savings, which represents a much greater stimulation of our economy by each person than a $50 tax rebate, considering that the commuter's saving is mostly OPEC's loss.

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95TH CONGRESS
1ST SESSION

S. 208

IN THE SENATE OF THE UNITED STATES

JANUARY 12 (legislative day, JANUARY 10), 1977

Mr. WILLIAMS (for himself and Mr. KENNEDY) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing and Urban Affairs

A BILL

To amend the Urban Mass Transportation Act of 1964 to extend the authorization for assistance under such Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Mass Transportation Assistance Act of 1977".

SEC. 2. Section 4(c) of the Urban Mass Transportation Act of 1964 is amended by striking out the second through the fourth sentences thereof and inserting in lieu thereof the following: "None of the amounts authorized under the preceding sentence may be obligated after September 30, 1977. There are authorized to be appropriated such sums as may

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be necessary to liquidate the obligations incurred under this subsection.".

SEC. 3. Section 4 of the Urban Mass Transportation Act of 1964 is amended by adding at the end thereof the following new subsection:

"(e) To finance grants and loans under section 3 of this Act, there are authorized to be appropriated not to exceed $11,400,000,000 for the period ending on September 30, 1982. The aggregate of the amounts appropriated under this subsection may not exceed $1,900,000,000 prior to October 1, 1978; $3,900,000,000 prior to October 1, 1979; $6,100,000,000 prior to October 1, 1980; and $8,600,000,000 prior to October 1, 1981. Appropriations pursuant to the authority of this subsection may be made in an appropriation Act for a fiscal year preceding the fiscal year in which the appropriation is to be available for obligation and shall remain available until expended.".

SEC. 4. Section 3 of the Urban Mass Transportation Act of 1964 is amended by adding at the end thereof the following new subsection:

"(i) The first $500,000,000 appropriated and available for obligation under this section for each fiscal year beginning after September 30, 1977, shall be available only for grants to assist State and local public bodies in financing the acquisition of equipment for use, by operation, lease, or

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otherwise, in mass transportation service in urban areas. Grants to eligible applicants in any urbanized area shall not exceed the sums allocated to that area under a formula which the Secretary shall develop and publish not later than June 30, 1977. To permit applicants to develop adequate plans for the utilization of such sums, the Secretary shall advise the appropriate local officials in each urbanized area of the amount that is expected to be available each year not later than ninety days prior to the beginning of the fiscal year in which such sums will be available.".

SEC. 5. Section 5 of the Urban Mass Transportation Act of 1964 is amended—

(1) by striking out subsection (c) (2) and inserting in lieu thereof the following:

"(2) There are authorized to be appropriated to finance grants under this section not to exceed $2,475,000,000 for the period ending on September 30, 1982. The aggregate amount of appropriations pursuant to this paragraph shall not exceed $125,000,000 prior to October 1, 1980; and $1,225,000,000 prior to October 1, 1981. Appropriations pursuant to the authority of this paragraph may be made in an appropriation Act for a fiscal year preceding the fiscal year in which the appropriation is to be available for obligation.";

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(2) by inserting at the end of subsection (c) the following new paragraph:

"(3) Sums apportioned under paragraph (1) of subsection (b) shall be available for obligation by the Governor or designated recipient for a period of two years following the close of the fiscal year for which such sums are apportioned, and any amounts so apportioned remaining unobligated at the end of such period shall be added to the sums available for obligation under subsection (d) for the next succeeding fiscal year.";

(3) by redesignating subsections (d) through (n) as subsections (f) through (p), respectively, and by inserting after subsection (c) the following new subsections:

"(d) To finance additional grants under this section, there are authorized to be appropriated not to exceed $1,250,000,000 for the period ending on September 30, 1982. Appropriations for such purpose shall not exceed $250,000,000 in any one year. Sums so appropriated shall remain available until expended. Appropriations under this subsection may be included in an appropriations Act for a fiscal year preceding the fiscal year which the appropriation is to be made available for obligation.

"(e) (1) The Secretary may approve as a project for financing through grants under subsection (d), on such

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terms and conditions as he may prescribe, (A) the acquisition, construction, or improvement of facilities or equipment for use, by operation or lease or otherwise, in mass transportation service, (B) the payment of operating expenses to improve or to continue such service by operation, lease, contract, or otherwise, (C) the payment of capital or operating expenses to carry out new, innovative, or specialized mass transit service, (D) the payment of operating expenses related to regional commuter rail service, or (E) the payment of funds related to operating performance and the achievement of operating results under criteria established by the Secretary.

"(2) The Secretary shall issue such regulations as he deems necessary to administer this subsection."; and

(4) by striking out "under this section" in the first sentence of subsection (h), as redesignated, and inserting in lieu thereof "under subsection (c)".

SEC. 6. The last sentence of section 4(c) of the Urban Mass Transportation Act of 1964 is amended by inserting before the period at the end thereof a comma and the following: "and such $500,000,000 may be used in such areas for the payment of the cost of construction projects or for the payment of subsidies for operating expenses. Grants for assistance in other than urbanized areas shall be subject to such terms, conditions, requirements, and

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provisions (similar as may be appropriate to those applicable to grants under section 5) as the Secretary may determine to be necessary or appropriate for other than urbanized areas".

SEC. 7. Section 10 of the Urban Mass Transportation Act of 1964 is amended to read as follows:

"GRANTS FOR TRAINING PROGRAMS

"SEC. 10. The Secretary is authorized to make grants to States, local public bodies, and agencies thereof and private mass transportation operators to provide fellowships for training of personnel employed in managerial, technical, and professional positions in the urban mass transportation fields. Fellowships shall be for not more than one year of training in public or private training institutions offering programs having application in the urban mass transportation industry. The recipient of a fellowship under this section shall be selected on the basis of demonstrated ability and for the contribution which he can reasonably be expected to make to an efficient mass transportation operation. The assistance under this section toward each fellowship shall not exceed the lesser of $12,000 or 75 per centum of the sum of (1) tuition and other charges to the fellowship recipient, (2) any additional costs incurred by the educational institution in connection with the fellowship and billed to the grant recipient, and (3) the regular salary of the fellowship re-

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cipient for the period the fellowship (to the extent that salary is actually paid or reimbursed by the grant recipient).".

SEC. 8. Section 12(c) of the Urban Mass Transportation Act of 1964 is amended—

(1) by striking out "and" at the end of clause (4);

(2) by striking out the period at the end of clause (5) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(6) the term 'construction' means the supervising, inspecting, actual building, and all expenses incidental to the construction, reconstruction, or acquisition of facilities and equipment for use in public mass transportation, including designing, engineering, location surveying, mapping acquisition of right-of-way, relocation assistance, acquisition of replacement housing sites, acquisition and rehabilitation, relocation, and construction of replacement housing.".

SEC. 9. (a) The Secretary of Transportation shall convert equipment and facilities loans heretofore made under section 3(a) of the Urban Mass Transportation Act of 1964 or title II of the Housing Amendments of 1955 (42 U.S.C. 1492) to grants under the conditions set forth below. A grant agreement for the acquisition, construction, reconstruc-

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tion, or improvement of facilities and equipment under section 3 (a) of the Urban Mass Transportation Act of 1964 shall provide for forgiveness of principal and interest on a loan previously made in lieu of a cash grant in the amount forgiven. Such grant shall be subject to such terms and conditions as the Secretary may deem necessary and appropriate, taking into account the degree of completion of the project financed with the loan.

(b) In lieu of the local matching share otherwise required, the grant agreement may provide that State or local funds shall be committed to mass transportation projects in the urbanized area, on a schedule acceptable to the Secretary of Transportation, in an amount equal to the local share that would have been required had the amount of principal and interest forgiven been the Federal share of a capital grant made when the original loan was made. The State or local funds contributed under the terms of the preceding sentence shall be made available for projects eligible for funding under section 3 (a), and may not be used to satisfy the local matching requirements for any other grant project.

SEC. 10. Section 4 (c) of the Urban Mass Transportation Act of 1964 is amended by adding at the end thereof the following: "To assure orderly planning and program development under section 3, the Secretary shall report to Congress on or before February 1, 1980, a detailed estimate of

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the cost of grants to be made under section 3 for providing public mass transportation service in urban areas for each fiscal year within the period beginning with fiscal year 1980 and ending with fiscal year 1984. On or before February 1, 1982, the Secretary shall report to Congress a detailed estimate of the cost of grants to be made under section 3 for providing public mass transportation service in urban areas for each fiscal year within the period beginning with fiscal year 1978 and ending with fiscal year 1986.".

SEC. 11. Section 16 of the Urban Mass Transportation Act of 1964 is amended to read as follows:

"MASS TRANSPORTATION FACILITIES AND EQUIPMENT TO MEET THE NEEDS OF ELDERLY AND HANDICAPPED PERSONS

"SEC. 16. (a) It is hereby declared to be the national policy that—

"(1) elderly and handicapped persons have the same right as other persons to utilize mass transportation facilities and services;

"(2) special efforts shall be made in the planning, design, construction, and operation of mass transportation facilities and services so that the availability to elderly and handicapped persons of mass transportation which they can effectively utilize will be assured; and

"(3) all Federal programs offering assistance for

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mass transportation (including the programs under this Act) should effectively implement this policy.

"(b) The Secretary shall require that projects receiving Federal financial assistance under this Act shall be planned, designed, constructed, and operated to allow effective utilization of mass transportation services by elderly and handicapped persons who are unable without special facilities or special planning or design to utilize such facilities and services effectively. The Secretary shall not approve any program or project under this Act unless he finds that the program or project complies with the requirements mandated by this section. The Secretary shall, as part of carrying out this section, require the following:

"(1) Effective immediately, any new vehicle, station, building, or other structure for any new rapid rail system or for any new extension to an existing rapid rail system if the extension forms a usable segment, and any other new vehicle integrated with such a system when feasible shall be subject to accessibility standards issued by the Secretary. Standards issued under this paragraph shall insure accessibility by elderly and handicapped persons.

"(2) The Secretary shall require that mobility for elderly and handicapped persons is available in each urbanized area requesting a grant or loan under this

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Act. The Secretary shall determine that this requirement is being met if the applicant demonstrates detailed plans for meeting this requirement either by the provision of a wheelchair accessible regular fixed route system within a reasonable time period or in the alternative provision of a substitute service that provides comparable coverage and service levels as is provided by the regular fixed route system. In order to assure such effective mobility, the Secretary shall prescribe the use of all or such portion of such grants or loans as are necessary to be utilized for the purchase of wheelchair accessible buses or other step entry vehicles.

"(c) In addition to the grants and loans otherwise provided for under this Act, the Secretary is authorized to make grants and loans—

"(1) to States and local public bodies and agencies thereof for the specific purpose of assisting them in providing mass transportation services which are planned, designed, and carried out so as to meet the special needs of elderly and handicapped persons, with such grants and loans being subject to such terms, conditions, requirements, and provisions as are applicable to grants and loans made under section 3(a), and for the purposes of all other laws, any grant or loan under

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this subsection shall be deemed to have been made under such section; and

"(2) to private nonprofit corporations and associations for the purpose of assisting them in providing transportation services meeting the special needs of elderly and handicapped persons for whom mass transportation services planned, designed, and carried out under paragraph (1) are unavailable, insufficient, or inappropriate, with such grants and loans being subject to such terms, conditions, requirements, and provisions (similar insofar as may be appropriate to those applicable to grants and loans under paragraph (1)), as the Secretary may determine to be necessary or appropriate for purposes of this paragraph.

Of the total amount of the obligations which the Secretary is authorized to incur on behalf of the United States under the first sentence of section 4(c), 2 per centum may be set aside and used exclusively to finance the programs and activities authorized by this subsection (including administrative costs).

"(d) Of any amounts made available to finance research, development, and demonstration projects under section 6, after the date of the enactment of this section, 1½ per centum may be set aside and used exclusively to increase the information and technology which is available

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to provide improved transportation facilities and services planned and designed to meet the special needs of elderly and handicapped persons.

"(e) For the purposes of this section, the term 'elderly and handicapped persons' means any individual who, by reason of illness, injury, age, congenital malfunction, or other permanent or temporary incapacity or disability, including any individual who is nonambulatory wheelchair bound or who has semiambulatory capabilities, is unable without special facilities or special planning or design to utilize such facilities and services effectively.

"(f) (1) Effective immediately, a local advisory committee (at least half of the members of which shall be elderly or handicapped persons) shall be established for each geographical area in which assistance under section 3 or 5 is being furnished. The committee shall be utilized in drawing up a detailed timetable for compliance with this subsection and in carrying out provisions of this subsection. A project agreement for assistance under either such section shall specify the time, not to exceed ninety days from the grant of assistance, for implementation of the timetable.

"(2) Effective immediately, the service proposed to be provided for elderly and handicapped persons shall be presented at the public hearing required as part of the application process for assistance under section 3 of this Act.

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"(g) Technical study grants made under section 9 of this Act in support of local transportation planning (including grants made for the fiscal year 1977 planning program) shall include work elements necessary to produce by July 1, 1978, a comprehensive local plan and implementation schedule for developing public transportation service for elderly and handicapped persons within the planning area.

"(h) The Secretary shall establish a National Advisory Council on Mass Transportation for Elderly and Handicapped at least 50 per centum of the members of which shall be elderly or handicapped persons. The Advisory Council shall advise and consult with the Secretary of Health, Education, and Welfare and the Secretary of Transportation on all matters relating to mass transportation for elderly and handicapped persons.

"(i) On or before October 1, 1978, the Secretary shall prepare and submit to the Congress a comprehensive report on the mass transportation needs of elderly and handicapped persons, including information generated under technical study grants subject to the requirements of subsection (g) of this section; research, development, and demonstration activities undertaken in furtherance of the national policy set forth in subsection (a); the progress made in assuring the effective utilization by elderly and handicapped persons of mass transportation services and facilities assisted under this

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Act, and additional measures to assure such effective utilization; and a determination of the economic impact of regulations adopted under this section as measured in production, productivity, employment, prices, and incomes or other economic indicators as the Secretary may deem appropriate, and a determination of the benefits resulting from such regulations relative to the costs associated with implementing them.".

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Mr. EDGAR. I would make one final comment. My purpose in coming this morning is not to say that S. 208 has major deficiencies. I don't think it does. I do, however, think that with a new Secretary of Transportation, with the development of some new funding mechanisms for the transit needs which you have outlined in your charts, and with the need to look at ways in which we can get a balanced transportation policy into metropolitan urban areas and rural areas and to other parts of our Nation, it is important for us to try to develop a comprehensive and coordinated approach. If we move in such a way that it would restrict the pressure being placed on you to develop that national policy, it might be harmful for the future of transit policies into the 1980's.

Senator WILLIAMS. Excellent statement and most thoughtful analysis. We appreciate it, Congressman Edgar.

The amendment that has been offered is a bill in the House, is that right—your bill dealing with the social services and the transportation component?

Mr. EDGAR. No; it's an amendment to H.R. 3155 which parallels section 11 in your bill, S. 208. These was extensive debate on the House side in trying to come up with comparable language to facilitate access to transportation for the handicapped and to the elderly. It was apparent in our testimony on our side that these social service programs are very uncoordinated throughout the Federal Government. The purpose of this study would be to have an overview study by the Department of Transportation into what Federal programs are already involved in transportation funding, and how best to integrate these services to make them work better.

For example, we have elderly programs under the Older American Act that deal with transportation. We have day care and child care services that have transportation components. A variety of programs have some responsibility over transportation that are outside of the overview of the Department of Transportation.

Senator WILLIAMS. I understand that this idea has now been established as something to be considered at HEW and they do have it under consideration. It certainly makes all the sense in the world.

You mentioned the elderly. This is an area particularly where we have some necessary responses to older Americans' needs. Community centers, for example. They are not available because of no transportation. It's a great opportunity lost.

Well, we could just go through a whole range of services that need means to be reached by the people to be served.

I have nothing further except to thank you again.

Senator Sparkman?

Senator SPARKMAN. No questions. Thank you very much for a fine statement.

Senator WILLIAMS. Senator Heinz has joined us. We have just had a great statement from our colleague from Pennsylvania.

Senator HEINZ. Thank you, Mr. Chairman.

I regretted I didn't have a chance, Bob, to hear your statement. I have it here in front of me and I will read it. I appreciate it very much.

Mr. EDGAR. I appreciate that. Thank you, Mr. Chairman.

Senator WILLIAMS. Thank you.

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The mayor of Charlotte, N.C., Hon. John M. Belk, is our next witness. We are grateful indeed that you have journeyed here to add your thoughts to our deliberations Mayor Belk, and your associate—are you together and would you introduce him?

STATEMENT OF JOHN M. BELK, MAYOR, CHARLOTTE, N.C., ACCOMPANIED BY MELVIN A. MISTER, U.S. CONFERENCE OF MAYORS

Mr. BELK. Thank you, Mr. Chairman and other members of this committee.

The State of North Carolina is very happy to have before this august body representing us Senator Robert Morgan, who is a member of this committee, and we are proud and happy to have him represent us.

Senator WILLIAMS. Senator Morgan was here earlier and I'm sure he explained that there were other demands on him and another meeting this morning and he couldn't remain with us. He's a very valuable member.

Senator SPARKMAN. May I say that he did caution us to treat his mayor in good shape.

Senator WILLIAMS. That won't be difficult.

Senator SPARKMAN. I'm sorry that Bob Morgan couldn't be here. I want to say that he's certainly a great help to this committee and to the Senate as a whole.

Mr. BELK. I also would like to recognize Mr. Melvin A. Mister of the U.S. Conference of Mayors who is here with me. If I may I would like to read this statement.

[Complete statement follows:]

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STATEMENT BY

THE HONORABLE JOHN M. BELK
MAYOR OF CHARLOTTE, NORTH CAROLINA

My name is John M. Belk, Mayor of Charlotte, North Carolina, and I appear before you today to testify in support of S.208, The National Transportation Assistance Act of 1977 introduced by Senator Harrison Williams. I am representing today the United States Conference of Mayors and the National League of Cities. Jointly these two organizations represent the 15,000 municipalities in the United States.

We would like to commend Senator Williams and this Committee for the contribution they have made to mass transportation--the 1970 Act, Title II of the 1973 Federal Aid-Highway Act, and the landmark 1974 National Mass Transportation Act. This body of legislation has established mass transportation as an important national priority.

As a result of this legislation, local governments have begun to play an important role in the planning, programming and development of balanced transportation systems which are an integral part of overall city improvement efforts. With federal support, mayors throughout the nation are exercising leadership in ensuring that the citizens in their localities play a significant and decisive role in determining the manner in which transportation, economic development, community development, environmental protection and other related policies and programs are carried out.

Critical choices will be made this year about the future of the national transportation improvement effort. New legislation is urgently needed in the field of mass transportation,

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and the community development program, which is also within the jurisdiction of this Committee, is up for reauthorization. Legislation in these two areas will be critical ingredients in the efforts of Mayors to deal with the basic underlying problems confronted by their citizens.

With respect to transportation, unless legislation is enacted this year providing authority for additional mass transportation spending, the forward movement in transportation will be reversed. Apparently there is some question at the Federal level about the need for action this year to provide more spending authority for support of local transportation programs during the next few years. From our perspective, the need is clear, and we are pleased that Senator Williams agrees with us. We know that the $709 million of remaining UMTA obligational authority is insufficient to meet funding needs stemming from past formal pledges and from the requirements of an ongoing national transportation program. We also know that the credibility of the very fragile but steadily improving local planning, citizen participation, and budget processes for mass transit will be severely undermined without a continuing strong federal financial commitment to balanced transportation systems in cities. Finally, we know that it is not possible to freeze this process which is showing a growing and increasingly sophisticated local commitment to balanced transportation. A renewed federal financial commitment this year is essential if we are to avoid a setback of years of slow, painstaking progress in cities throughout the country.

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There are several signs of progress in the field of transportation. Ridership in major urban areas is on the increase. In San Diego during the period from 1971 to 1975, ridership more than doubled. In Denver it increased by 78 percent; Los Angeles by 66 percent; Portland, Oregon by 46 percent; Atlanta by 31 percent. These increases in ridership can be directly related to the effort of local government, with federal support, to improve the quality of service being provided by transportation programs. This activity would not be possible without the help of the federal government.

Progress is also indicated by the fact that local government has been increasing its contribution to public transportation. During the period from 1972 to 1975 state and local subsidies increased from an annual level of $400 million to a level of approximately $1.4 billion. At the local level, we recognize that the social benefits to society as a whole and to our communities in particular justifies subsidies for public transit. It is also clear to us that in view of the serious budget problems we face at the local level, the rising cost of energy, the inordinately high levels of inflation which the country has faced in recent years, it is impossible for local government alone to carry the total cost of operating much needed local public transit facilities. It is essential, therefore, that federal support be provided. As in so many areas, a full partnership between all levels of government is necessary if we are to meet national objectives.

In my own city of Charlotte, we are working on a balanced system which includes pedestrian, automobile, air, and rail traffic. We have devoted countless hours, numerous meetings

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with our citizens, and millions of dollars planning and making difficult decisions about the manner in which a balanced transportation system can be an effective element of our overall city government improvement programs. This type of balanced transportation system can save energy, have an important effect on employment of all of our citizens, and enhance the economic development of our community. It can improve the quality of life by reducing the pollution of our atmosphere: This balanced transportation system is a critical element in our efforts to improve the quality of life for the citizens in our community. This system reflects the costs and benefits of achieving federal objectives in areas such as environmental protection, energy conservation, and urban growth. It, therefore, is imperative that the Congress and the Administration act this year to provide additional funding authority for mass transit and to provide the necessary flexibility so that communities throughout the country, such as Charlotte, can continue forward movement toward a balanced transportation system which reflects the special circumstances, needs and desires of our citizens.

The budget submitted by President Ford assumes a "complete freeze" on new rapid rail program activities through 1979. This would mean years of delay in dealing with urbanized areas and projects which were not accepted by the Urban Mass Transit Administration prior to January, 1977. Despite this freeze, former Secretary Coleman's budget projections for the period through 1980 would result in a deficit of over $400 million.

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Also according to former Secretary Coleman's estimates, in 1980 there would still be $666 million needed to satisfy existing pledges and commitments, making for a deficit of over $1 billion. Therefore, even though there is presently over $3 billion of budget authority available for UMTA, this amount is insufficient to meet the needs of formal commitments and pledges which have already been made, as well as the funds needed to carry out an ongoing national transportation program.

Unwillingness to face up to the need for new funding authority this year, such as that proposed in S.208, will mean inadequate funding for buses, paratransit, and rail system modernization which is unrelated to outstanding pledges and commitments. Only $415 million of new obligations for activities not previously committed are proposed for FY 78 in the Ford Budget. This policy of "robbing Peter to pay Paul" is reflected in the allocation of $155 million to bus and paratransit acquisition as part of a proposal to require that communities apply 20 percent of their Section 5 Formula Grant to capital purchases. The Conference of Mayors and the League of Cities oppose this approach and view it as a reversal of the necessary flexibility for local communities which has been provided in the past. We were pleased to learn that the amendments to the Ford Budget submitted by President Carter do not support this mandatory requirement in the use of Section 5 Formula Grant funds. However, only a $100 million increase in the obligation ceiling for bus purchases and rail improvements is proposed in these amendments.

The complete freeze on new rapid rail projects assumed in the budget submitted by former President Ford is now in effect.

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Unless legislation such as S.208 is enacted, cities such as Chicago, Boston, New York, Philadelphia, which will be ready for formal pledges in FY 78, will have to wait indefinitely.

The Conference of Mayors and the League of Cities both support a unified urban transportation fund which provides for flexible predictable funding. This proposed fund would simplify local decisionmaking by allocating resources among different transit modes. There is a need, however, to maintain planning and development activities until an improved transit financing system is in operation. We must continue the present system of financing by providing new authorizations and higher levels of appropriations. At the same time, we must continue our efforts to enact legislation, obtain adequate funding and put into operation at the earliest possible time, an improved financing system for mass transit. We cannot afford to have a moratorium on substantial progress during the next two to three years while we achieve this goal. We, therefore, urge the Committee as strongly as we can to pursue with vigor the efforts to enact legislation along the lines proposed in S.208.

The staff of the USCM and the NLC has worked closely with the Committee on S.208. It, therefore, reflects the policies of both organizations and we support the bill. The $11.4 billion of authority for Section 3 with the annual obligation schedule appears to us to be adequate. It is our assumption that the authority will continue to be used by the Administration to make formal pledges to local communities. These pledges are of critical importance to the local planning and decision-making

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process. Without some certainty of funding, the local planning, community involvement and decision-making process cannot work.

The $500 million set aside per year for equipment replacement, such as bus acquisitions, for urbanized areas is a highly desirable aspect of the proposed legislation. This provision will alleviate the problems of competition between the needs of cities for routine equipment replacement. Local planning and flexibility would also be improved for non-urbanized areas by allowing the $500 million earmarked for these areas to be used for operating as well as capital expenses as proposed in S.208.

The formula grant program authorized under Section 5 of the Mass Transit Act also needs additional authorization and a higher level of funding this year. Inflation, local budget stringency, rising costs of energy have exacerbated the problems inherent in the Section 5 formula. Action this year is essential if fare increases and/or service reductions are to be minimized and progress in increased use of mass transit is to be continued. Further increases in ridership can be achieved. However, past progress will be eroded and reversed unless we are able to continue to improve services by purchasing new buses, by preventing fare increases, and by expanding rather than reducing the extent of public transportation service. Local government has been increasing its contribution to the cost of operating public transit and the proposed increase in federal support is clearly warranted.

The present Section 5 formula does not really meet the needs as expressed by per-rider allocations or per-vehicle mile, since the formula provides less funds per transit rider in the big cities

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than in the smaller ones. However, communities have been planning on receiving funds in accordance with the present formula. Moreover, there is no perfect formula for distributing funds in a national program. Virtually any formula which can be devised based on the types of information we have at the national level will lead to some inequities. We, therefore, strongly support the proposal in S.208 to create a discretionary fund which could be used to take care of special circumstances and for other purposes, such as assistance to commuter rail, as specified in the proposed legislation. Extending the authority for the Formula Grant Program an additional two years in order to provide for long-term planning by local communities for operating subsidies is also an important provision of S.208 which we strongly support.

Experience with the Formula Grant Program suggests that all funds should be apportioned directly to urbanized areas, not just those areas over 200,000 in population.

In the smaller urbanized areas, only 18% of the funds had been obligated at the end of the first year and a half. This compares with over 75% in the areas over 200,000 population in which the funds are apportioned directly to the urban area.

S.208 also includes amsndments to the Urban Mass Transportation Act which were approved by the Senate but not acted on by the Congress (S.662). We supported this legislation and reaffirm that support now. Especially important are the provisions for updating and establishing new requirements for program review every two years. Failure by the federal government to conduct periodic reviews of the program has contributed to the present funding crisis which apparently is not clearly understood

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by all elements of the Congress and the Administration.

We support this legislation and once again, I would like to commend the Senate Committee for its hard work on this important legislation and urge its adoption and speedy approval by the Congress and the Administration.

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Senator WILLIAMS. Well, we certainly appreciate your being here as mayor of Charlotte, N.C., and as spokesman for organizations with great knowledge in all other areas affecting cities, the Conference of Mayors and the League of Municipalities. It's a most helpful statement and you are on the firing line in this area because you're mayor of a city that has its transportation problems and transportation needs.

Could I just address you to your situation in Charlotte. Has the national urban mass transportation program been helpful to your city?

Mr. BELK. Yes; it has. We bought buses and are in operation, and we would have been unable to do without this program. It came at a time that was extremely well timed as far as the finances of our city were concerned. We just couldn't have gotten along without it.

However, now that we do have this program, we are indebted to you on this committee, and this is the reason we're asking you—and I just mention Charlotte not just as one city but as a city that is indebted to you for a program that you have set up—to continue these programs. We will be unable to operate unless you continue the program in Washington.

Senator WILLIAMS. Has there been an effective marriage of local effort together with the Federal support? Have you been able to draw forth more local effort knowing that you had a complementary contribution from the Federal program?

Mr. BELK. We did very much on that until an outsider came in and we had a strike which crippled us. We had a 36-day strike. Outside of that one element we were able to work this very well with the local people. We were going up in our ridership and now we're back up to about 4 percent of where we were before the strike. The strike was the only detriment that we had that hurt this program in any way.

People are very happy over it. We are improving the service. We are improving the ridership and it has worked out extremely well. We are even getting good press about it. The people are happy now that this program is in existence and is working, and we are looking forward to a big increase in ridership.

We have a new program that we just started this week and we have another program that will start next week. We are changing this program and the ridership will go up.

Senator WILLIAMS. Thank you.

Senator SPARKMAN. Let me ask just this question more or less out of curiosity. Are there any State programs along this line cooperating with the local governments or is it carried solely by the cities and Federal?

Mr. BELK. This particular program only involves the city and Federal Government. The only place that we are associated with the State transportation is a program in which they send us money to pave highways. Outside of that, as far as transportation is concerned—and I happen to be the chairman of our North Carolina Municipal League Committee on Transportation—we have no State assistance and very little moneys for airports. Most all of it, 90-odd percent, is spent on paving highways and maintenance. We do receive assistance on that, but we receive nothing for other forms of transportation such as buses, rails, and airports.

Senator SPARKMAN. Thank you.

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Mr. BELK. That's the reason I mentioned we could not get along without this program.

[It was requested that the following appear in the record at this point:]

STATE OF NORTH CAROLINA,
DEPARTMENT OF TRANSPORTATION,
Raleigh, N.C., March 3, 1977.

Hon. JOHN SPARKMAN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SPARKMAN: I would like to take this opportunity to furnish you with additional information that may help to clarify a statement made by Mayor John M. Belk of Charlotte, North Carolina, on February 23, 1977 during his testimony on Senate Bill 208, "The Mass Transportation Assistance Act of 1977." Mayor Belk was representing the United States Conference of Mayors and the National League of Cities before the Senate Sub-committee on Housing and Urban Affairs of the Committee on Banking, Housing and Urban Affairs.

In response to a question from you, it is my understanding Mayor Belk stated that the City of Charlotte had not received any financial assistance from the North Carolina Department of Transportation except for highway improvements. While this is correct with respect to operating subsidies for public transit, the City of Charlotte has received from the State a total of $7,100 to match UMTA Section 9 Technical Studies Grants, and a total of $693,332 to match UMTA Section 3 Capital Grants in the two years that State funds have been available. Thus, the City of Charlotte has received approximately 44 percent of the total State funds appropriated by our Legislature for mass transit programs.

I hope this letter clarifies Mayor Belk's response to your question. We agree with Mayor Belk that the principal support given the City of Charlotte by the North Carolina Department of Transportation has been highway or street oriented; however, our State support has included funds for rubber tired mass transit vehicles operating on local streets and highways.

In closing, I would note that our Department of Transportation has an excellent working relationship with the City of Charlotte. We will continue to work cooperatively to solve our mutual transportation problems and develop programs to best use the available transportation resources.

Sincerely,

THOMAS W. BRADSHAW, Jr., *Secretary.*

Senator WILLIAMS. Thank you very, very much, Mayor Belk. It will be a pleasure to tell Senator Helms that you were most constructive and helpful in your statement. Bob Morgan, of course, knows that.

We have a panel from the National Association of Counties, Ralph Caso, executive, Nassau County N.Y.; Rod Diridon, supervisor, Santa Clara County Calif.; and William McKinley Branch judge from Greene County, Ala.

I have you, Mr. Caso, listed first here and you're the last of this group that I personally listened to. I heard you on an interview progam on one of ther New York stations recently and it was excellent. We are very pleased to have you appear personally on this subject matter.

Senator SPARKMAN. Mr. Chairman I have to be in Foreign Relations in about 10 minutes. Before I go, I want to say a word to one of the members of the panel, Judge Branch from Greene County, Ala. We are very glad to have him here and I want to say that I'm sorry that I'm not going to be able to stay through it. I know the whole panel will be of great interest but I have a meeting in the Foreign Relations Committee and I have to go.

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Senator WILLIAMS. Could I ask a question now? I spent some happy hours, days in Mobile, Ala., in World War II, and I found that a pleasant place to visit from the Pensacola Air Station where I was a flyer. I'm wondering where Greene County is and if I've ever been in Greene County.

Senator SPARKMAN. Probably not. It's up from Mobile I imagine—what is it—about 100 miles?

Mr. BRANCH. Let me give you the geographical location. Greene County is located in west Alabama, south of Tuscaloosa, Ala., west of Hale County, north of Marengo County, and east of Suffolk County, one of the greatest counties in the United States.

Senator WILLIAMS. It's on the road to Louisiana?

Mr. BRANCH. In other words, it's between Birmingham and Meridian, Miss., or New Orleans, on U.S. Highway 11, I–59 and I–20.

Senator SPARKMAN. That's got it well placed.

Mr. BRANCH. And it's right in the heart of the Tennessee Tombigbee Waterway, one of the most prosperous areas in the United States.

Senator WILLIAMS. Has that project been completed?

Senator SPARKMAN. It's underway.

Mr. BRANCH. It's partially been completed. It's well underway.

Senator WILLIAMS. Was that mentioned in the budget?

Senator SPARKMAN. Well, it's carried in the budget.

Senator WILLIAMS. Very good.

Senator SPARKMAN. We broke ground on that symbolically back about 1972.

Mr. BRANCH. In 1972. In the Greene County area the lock and dam has been completed but they are moving upstream toward Pickering County back in that area toward Columbus, Miss.

Senator SPARKMAN. It's the only one that's been completed, the one in Greene County, Ala., and the county seat of your county is——

Mr. BRANCH. Eutaw, named from Eutaw Springs, S.C., I believe.

Senator SCHMITT. How far are you from Huntsville?

Mr. BRANCH. About 150 miles southwest, I believe.

Senator SCHMITT. Huntsville and Athens is where my kinfolk are, Mr. Chairman.

Senator SPARKMAN. Well, it's about the same distance from Natchez because Natchez and Huntsville is about 20 miles apart and that measurement is as the crow flies.

Mr. BRANCH. That's right.

Senator WILLIAMS. Well, I'm sure that you have one thing in common with Nassau County in the State of New York, and that is a transportation problem and urgent public transportation needs. We will start with the panel beginning with Mr. Caso.

Senator SPARKMAN. Let me say that I want to apologize to the distinguished judge from my county that I can't stay, but I have my own obligations in Foreign Relations Committee and I must go at this time. Thank you, Mr. Chairman

Senator WILLIAMS. We're glad you could be with us, Mr. Chairman.

Mr. CASO. I was just going to add that I thought Judge Branch might say, after describing where Greene County is, that you can't get there from here, and that's why he feels S. 208 is very important to public transportation.

Mr. BRANCH. I'll bring that out in a little bit.

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STATEMENT OF RALPH CASO, EXECUTIVE, NASSAU COUNTY, N.Y.

Mr. CASO. Mr. Chairman and members of the subcommittee, we are representing the National Association of Counties. With us to my left is Sandra Spence, NACo's legislative representative for transportation.

It is a real pleasure to appear before this subcommittee again. We appreciate the interest in our views which you have always shown.

We elected county officials like to talk about the "quiet revolution" which is occurring throughout this land. County government, once narrowly circumscribed by the States, is becoming a giant. A recent survey performed by the Advisory Commission on Intergovernmental Relations showed that in the past two decades county functions have expanded more rapidly than those of any other unit of government.

We see this growth in the public transportation field. One of the reasons for this development was the passage of the landmark 1974 Transit Act, thanks to the fine leadership of this committee.

With passage of that legislation, the infusion of significant amounts of Federal dollars, with the required local matching funds, has enormously expanded the scope of our national, State, and local commitment to the transportation of people as a public service. My own county of Nassau has an annual commitment of approximately $20 million of county revenues to finance our share of transit costs. This includes subsidy payments to the Metropolitan Suburban Bus Authority and additional moneys to the Metropolitan Transportation Authority for operation and maintenance of the Long Island Railroad.

With regard to this commitment I must express my personal concern over formula inequities in the apportionment of section 5 operating assistance to the New York metropolitan area. As our Long Island paper Newsday pointed out in a recent editorial, the New York metropolitan area has over 31 percent of the transit riders nationwide, yet we received only about 13 percent of section 5 funds. Although NACo policy does not address the formula issue, and indeed many of our members would oppose any such change, I wish to personally urge this committee at the outset, to consider this issue during your deliberations.

At this point, Supervisor Diridon will set forth NACo's position on the financial aspects of S. 208, then Judge Branch will discuss NACo support for rural public transportation. I will conclude by adding some of our remaining concerns.

STATEMENT OF ROD DIRIDON, SUPERVISOR, SANTA CLARA, COUNTY, CALIF.

Mr. DIRIDON. In addition to the hundreds of counties which are subsidizing public transportation, as mentioned by Mr. Caso, some urban counties are taking over direct operation of transit systems. My own county of Santa Clara is one of these. Others include Broward and Dade Counties in Florida and Milwaukee County, Wisc.

Furthermore, county interest in public transportation goes beyond the traditional commuter service. Many urban counties are subsidizing and/or operating specialized transportation programs to meet the

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special needs of groups such as the handicapped, the elderly, and various social service clients.

As an example of our commitment, the Santa Clara County Board of Supervisors brought a referendum before our voters last year. We urged support for a State-authorized one-half cent sales tax for transit which required voter endorsement. On March 2, 1976, the people of Santa Clara County voted yes for our proposed three point program. Under it, we will (1) maintain our existing bus system through a planned replacement program; (2) expand and increase the number of routes and frequency of service dramatically and (3) explore transit alternatives, including feasibility of a light rail system.

Given our commitment—and the commitment of hundreds of other concerned county officials from throughout the Nation—I'm here today to strongly support speedy passage of S. 208. We need assurance that the Federal Government will maintain a steady and increasing commitment to public transportation.

County experience in the highway program has given us a deep appreciation for the vital need—in any ongoing transportation system—for assured continuity of funding. Our American county platform calls for a mass transit trust fund to provide the same kind of certainty we enjoy in the highway program.

Short of establishment of a trust fund, we applaud the provision of S. 208 to extend the authority for our public transportation program through 1982. Our Nation's counties and other local governments need this kind of assured commitment by the Federal Government, if we are to continue committing increasing levels of local funds to public transportation. We need to know the program will be continued without interruption, delay or cutback in funds.

NACo policy supports an increase in funding for the final 2 years of the current authorization with gradually increasing levels thereafter.

We believe that whatever the funding level may be, any increase should be in section 5 formula grants where local areas enjoy the greatest degree of flexibility in use of the funds.

To avoid the loss of formula grant funds which some areas may not use, we support the concept in S. 208 of returning unused funds to the transit program after 2 years. We prefer to have these funds plowed back into the formula program rather than into the proposed discretionary pot.

I'd like to add—as a representative of a seriously depressed area in Santa Clara County in California in terms of unemployment and as chairman of the local CETA board—your bill accomplishes another purpose. With $7.3 million going into title 3 construction projects you provide an immediate source of employment for a seriously depressed construction industry and then you provide a long-term source of employment through the transportation system. That has to be stressed at these particular times as the President is coming to us with a huge jobs package. I think it's a byproduct which is a very wonderful and important one.

Now, I'd like to introduce Judge Branch who will outline NACo's views regarding rural public transportation.

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STATEMENT OF WILLIAM McKINLEY BRANCH, JUDGE, GREENE COUNTY, ALA.

Mr. BRANCH. To Senator Williams and other members of this subcommittee, I bring you greetings from Greene County, Ala., but I'm also here to outline NACo's views regarding rural transportation.

Rural counties, or nonurbanized as we are called in transit law, are also vitally concerned with transportation for people.

A NACo survey in Alabama showed the kind of exploitation experienced by rural Americans who can't afford a car. The "black market" transportation system—neighbors and other unlicensed private individuals—charged more to transport people to services than the service was worth. For example, getting to a food stamp center many times costs more than the food stamps are worth.

For example, as late as yesterday, an old gentleman knocked on my door and said to me, "Judge, I need $4." I said, "What are you going to do with the $4?" He said, "Well, John Doe charged me $4 to come here and I need $8 to pay for my stamps." And I said to myself then, as I was thinking about being here today, I said, "unless we can get something done for rural transportation many of our citizens are going to be handicapped. We have found that, in many rural counties, inadequate transportation is the key deterrent to improved health and social services.

My own county, Greene County, Ala., with a population of 10,650, has this problem. We have a high proportion of people who need public transportation. Almost 60 percent of our citizens are either 15 years or younger, or 55 years of older. Our median family income in 1970 was $3,034.

Our people in Greene County—and in hundreds of rural counties throughout America—need public transportation. That's why I'm here along with my colleagues from NACo. We know that unless we unite ourselves to build a strong America—and we need a strong America—to build a strong America you've got to include rural as well as urbanized areas.

NACo is currently undertaking a survey of county involvement in rural public transportation. We have already identified hundreds of counties with some current involvement in public transportation, despite the fact that few, if any, have ever received funds under the program we are discussing here today.

That is why NACo strongly supports the provision in S. 208 which would permit the existing authority for capital grants in nonurbanized areas to be used for operating purposes as well. In our "Fair Share For Rural America" campaign last year, NACo pointed out that only 1 percent of direct public transportation funds have been spent outside of "urbanized areas." This is so despite the fact that 48 percent of our people now live outside of urbanized areas. This is so despite the fact that rural Americans have the highest percentage of the "transportation disadvantaged"—the poor, children—and the greatest distances to travel for basic necessities—food, education, medical care, and jobs.

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We support the provision in S. 208 which would permit the Secretary of Transportation to waive unnecessarily complex legal requirements, which are irrelevant in rural areas. Urban transit systems are costly and complex. The small systems needed to meet the needs of our rural folk are relatively simple. For too long, complex requirements have stood in the way of better service for our people.

We are saying here that even the application forms for rural transportation should be a little bit more simplified because we do not have the complexities in the rural areas that we do in the urbanized areas.

Since activity in the area of nonurbanized public transportation is spotty, our policy suggests that funds for nonurbanized areas should be administered on a discretionary basis initially with gradual transition to State or local allocations as States or local governments develop administrative capacity and funding commitments.

Although Congress provided the opportunity for funding of capital needs outside of urbanized areas in 1974, we are very concerned about the lack of attention within the Urban Mass Transportation Administration to rural programs. It has been 26 months since the 1974 legislation was enacted. Still there is only minor attention—a part-time effort by two people that we can identify—to the nonurbanized program guidelines and there's no indication of when they may be available. NACo urges you to provide a mandate to UMTA to use its authority in spending funds outside urbanized areas.

Gentlemen of the committee, I plead to you, and I concur and NACo concurs with S. 208, but please give attention to the rural areas.

Mr. CASO. Mr. Chairman, I will conclude——

Senator WILLIAMS. We feel that they are in this bill, Judge Branch, and we are mindful of the rural situation and this program has been developing over many years. We knew we hadn't been guilty of oversight on the rural side, but it was difficult at times to get the total comprehensive urban transportation to make it as comprehensive to include concentrations of people even in the rural areas. So we've got it here now.

Mr. BRANCH. And, Senator, that's why I'm so enthused today to be here because this bill includes rural transportation and I want you to know that NACo and the people of these far away areas thank this committee and thank you for having created or brought into being such a bill. We feel that we have hope.

Senator WILLIAMS. Well, you have been remarkable. I will say I hadn't met you until today. When I saw William McKinley Branch on the list of witnesses, I had to pause. I wondered whether William McKinley was going to come to us with a negative approach.

Mr. BRANCH. Very positive.

Mr. CASO. Mr. Chairman, if I may, I would like to conclude with brief comments in four additional areas.

First, the National Association of Counties recognizes the need for mobility for all, particularly the transportation disdavantaged. At the local level, when we commit ourselves to a worthy goal, we must have the funds available to back up our commitment. We think the same principle should hold true for the Federal Government. No one really knows the full cost of the goals associated with the issues of mobility and accessibility.

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NACo urges you to recognize the significant operational differences in providing service to the ambulatory and the nonambulatory elderly and handicapped. We urge maximum local flexibility for local units to develop service methods most appropriate to the particular local situation—to serve the different transit needs of ambulatory and nonambulatory groups without impairing service to the general public. And we most seriously urge you to provide appropriate levels of funds to assure that mandated goals can be achieved.

Second, county officials are seriously concerned with the manner in which section 13(c) labor protective provisions have been administered by the Department of Labor. We are beginning to secure evidence that 13(c) requirements and procedures are unnecessarily thwarting the good faith efforts of local government to provide needed public transportation service. We believe this is particularly true in efforts to expand service in nonurbanized areas and in paratransit developments in both urban and rural areas aimed at improving mobility of the handicapped and the elderly. We urge the committee to review the administration and impact of 13(c) provisions on transportation service.

A third issue which concerns us is the role of local elected officials in the decisionmaking process relating to public and other urban transportation. We in New York are fortunate, for our State government has been relatively sympathetic to the need to keep us at the local level involved in the decision process.

In other areas, counties do not fare so well. NACo urges your assistance in seeking amendment to transit and highway law to provide opportunity for designation of metropolitan planning organizations by local elected officials.

We local elected officials are increasingly finding ourselves at the spot where the buck stops. As Federal and State legislators mandate new and expanding services, we face the citizens who want to know where their share is. And we are the ones who must pick up whatever bill remains when the Federal and State funds are used up. This is true in health, in welfare, in criminal justice—and in transit.

We must, therefore, be involved in all aspects of planning, operations, and funding decisions.

Finally, we suggest the committee address the need for UMTA or DOT to make some responsible effort to improve coordination of the myriad of health and social service funds. The transportation provided is typically inadequate to meet the needs, inefficient, uncoordinated, costly, and sometimes even unsafe. We urge the committee to consider ways to assure improved service to various client groups while at the same time provide for better coordination with existing systems.

Mr. Chairman and members of the committee, that concludes our testimony. Copies of our formal statement and NACo policy resolutions supporting the positions expressed in our testimony have been submitted for the record. We deeply appreciate the opportunity to present our views on this vital legislation. We are now ready to answer any questions you may have.

[Complete statement follows:]

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STATEMENT BEFORE THE SENATE COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS, SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS ON BEHALF OF THE NATIONAL ASSOCIATION OF COUNTIES; ON S 208, THE NATIONAL MASS TRANSPORTATION ASSISTANCE ACT OF 977; FEBRUARY 23, 977 PRESENTED BY THE HONORABLE RALPH G. CASO NASSAU COUNTY N.Y., EXECUTIVE, NACo CHAIRMAN FOR PUBLIC TRANSPORTATION THE HONORABLE RODNEY DIRIDON, SANTA CLARA COUNTY, CALIF., SUPERVISOR NACo CHAIRMAN FOR AIR TRANSPORTATION; AND THE HONORABLE WILLIAM McKINLEY BRANCH, GREENE COUNTY, ALA., JUDGE, NACo CHAIRMAN FOR RURAL TRANSPORTATION.

GOOD MORNING. WE ARE REPRESENTING THE NATIONAL ASSOCIATION OF COUNTIES.* WITH US IS SANDRA SPENCE, NACo'S LEGISLATIVE REPRESENTATIVE FOR TRANSPORTATION.

IT IS A REAL PLEASURE TO APPEAR BEFORE THIS SUBCOMMITTEE AGAIN. WE APPRECIATE THE INTEREST IN OUR VIEWS WHICH YOU HAVE ALWAYS SHOWN, NOT ONLY ON THE LANDMARK NATIONAL MASS TRANSPORTATION ASSISTANCE ACT OF 1974, BUT, MORE RECENTLY, ON S.662 WHICH I APPEARED BEFORE YOU TO SUPPORT IN 1975.

WE ELECTED COUNTY OFFICIALS LIKE TO TALK ABOUT THE "QUIET REVOLUTION" WHICH IS OCCURRING THROUGHOUT THIS LAND. COUNTY GOVERNMENT, ONCE NARROWLY CIRCUMSCRIBED BY THE STATES, IS BECOMING A GIANT. A RECENT SURVEY PERFORMED BY THE ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS SHOWED THAT IN THE PAST TWO DECADES COUNTY FUNCTIONS HAVE EXPANDED MORE RAPIDLY THAN THOSE OF ANY OTHER UNIT OF GOVERNMENT.

WE SEE THIS GROWTH IN THE PUBLIC TRANSPORTATION FIELD. ONE OF THE REASONS FOR THIS DEVELOPMENT IS THE PASSAGE IN 1974 OF THE LANDMARK NATIONAL MASS TRANSPORTATION ACT, THANKS TO THE FINE LEADERSHIP OF THIS COMMITTEE.

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* The National Association of Counties is the only national organization representing county government in the United States. Through its membership, urban, suburban and rural counties join together to build effective, responsive county government.

The goals of the organization are to:

- improve county governments;
- serve as the national spokesman for county governments;
- act as a liaison between the nation's counties and other levels of government;
- achieve public understanding of the role of counties in the federal system.

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WITH PASSAGE OF THE NMTAA, THE INFUSION OF SIGNIFICANT AMOUNTS OF FEDERAL DOLLARS, WITH THE REQUIRED LOCAL MATCHING FUNDS, HAS ENORMOUSLY EXPANDED THE SCOPE OF OUR NATIONAL, STATE AND LOCAL COMMITMENT TO THE TRANSPORTATION OF PEOPLE AS A PUBLIC SERVICE. MY OWN COUNTY OF NASSAU HAS AN ANNUAL COMMITMENT OF APPROXIMATELY $20 MILLION OF COUNTY REVENUES TO FINANCE OUR "SHARE" OF TRANSIT COSTS. THIS INCLUDES SUBSIDY PAYMENTS TO THE METROPOLITAN SUBURBAN BUS AUTHORITY AND THE METROPOLITAN TRANSIT AUTHORITY (FOR THE LONG ISLAND RAILROAD) AND MAINTENANCE PAYMENTS FOR RAILROAD STATIONS.

SOME URBAN COUNTIES, INCLUDING MY OWN COUNTY OF SANTA CLARA, BROWARD AND DADE COUNTIES IN FLORIDA, AND MILWAUKEE COUNTY, WISCONSIN, ARE TAKING OVER THE DIRECT OPERATION OF URBAN TRANSPORTATION SYSTEMS. HUNDREDS OF OTHERS ARE INCREASINGLY AND HEAVILY INVOLVED IN THE PROVISION OF FUNDS TO URBAN TRANSPORTATION SYSTEMS.

COUNTY INTEREST IN PUBLIC TRANSPORTATION GOES BEYOND THE TRADITIONAL COMMUTER SERVICE. MANY URBAN COUNTIES ARE SUBSIDIZING AND/OR DIRECTLY OPERATING SPECIALIZED TRANSPORTATION PROGRAMS TO MEET THE NEEDS OF PARTICULAR GROUPS SUCH AS THE HANDICAPPED, THE ELDERLY AND VARIOUS SOCIAL SERVICE CLIENTS.

RURAL COUNTIES, OR "NON-URBANIZED" AS WE ARE CALLED IN TRANSIT LAW, ARE ALSO VITALLY CONCERNED WITH TRANSPORTATION FOR PEOPLE.

A NACo SURVEY IN ALABAMA SHOWED THE KIND OF EXPLOITATION EXPERIENCED BY RURAL AMERICANS WHO CAN'T AFFORD A CAR. THE "BLACK MARKET" TRANSPORTATION SYSTEM -- NEIGHBORS AND OTHER UNLICENSED PRIVATE INDIVIDUALS -- CHARGED MORE TO TRANSPORT PEOPLE TO SERVICES THAN THE SERVICE WAS WORTH. FOR EXAMPLE, GETTING TO A FOOD STAMP CENTER COST MORE THAN THE FOOD STAMPS WERE WORTH. MANY RURAL COUNTIES HAVE FOUND INADEQUATE TRANSPORTATION THE KEY DETERRENT TO IMPROVED HEALTH AND SOCIAL SERVICES.

MY OWN COUNTY -- GREENE COUNTY, ALABAMA -- WITH A POPULATION OF 10,650, HAS THIS PROBLEM. WE HAVE A HIGH PROPORTION OF PEOPLE WHO NEED PUBLIC TRANSPORTATION. ALMOST 60 PER CENT OF OUR CITIZENS ARE EITHER 15 YEARS OR YOUNGER, OR 55 YEARS OR OLDER. OUR MEDIAN FAMILY INCOME IN 1970 WAS $3,034.

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WE ARE HERE TODAY REPRESENTING HUNDREDS OF CONCERNED COUNTY GOVERNMENT OFFICIALS. WE SUPPORT SPEEDY PASSAGE OF S. 208, FOR COUNTIES AND OTHER PUBLIC BODIES THROUGHOUT THIS NATION NEED ASSURED CONTINUITY OF FUNDING. OUR AMERICAN COUNTY PLATFORM SUPPORTS THE SIGNIFICANT ROLE OF PUBLIC TRANSPORTATION WITHIN A BALANCED AND COORDINATED TRANSPORTATION SYSTEM IN BOTH URBAN AND RURAL AREAS.

COUNTY EXPERIENCE IN THE HIGHWAY PROGRAM HAS GIVEN US A DEEP APPRECIATION FOR THE VITAL NEED -- IN ANY ON-GOING TRANSPORTATION SYSTEM -- FOR ASSURED CONTINUITY OF FUNDING. OUR AMERICAN COUNTY PLATFORM CALLS FOR A MASS TRANSIT TRUST FUND TO PROVIDE THE SAME KIND OF CERTAINTY WE ENJOY IN THE HIGHWAY PROGRAM.

SHORT OF ESTABLISHMENT OF A TRUST FUND, WE STRONGLY SUPPORT THE PROVISION OF S. 208 EXTENDING THE AUTHORITY FOR OUR PUBLIC TRANSPORTATION PROGRAM THROUGH 1982. OUR NATION'S COUNTIES AND OTHER LOCAL GOVERNMENTS NEED THIS KIND OF ASSURED COMMITMENT BY THE FEDERAL GOVORNMENT. IF WE ARE TO CONTINUE COMMITING INCREASING LEVELS OF LOCAL FUNDS TO PUBLIC TRANSPORTATION, WE NEED TO KNOW THE PROGRAM WILL BE CONTINUED WITHOUT INTERRUPTION, DELAY OR CUTBACK IN FUNDS.

NACo POLICY SUPPORTS AN INCREASE IN FUNDING FOR THE FINAL TWO YEARS OF THE CURRENT AUTHORIZATION AND GRADUALLY INCREASING LEVELS THEREAFTER. OUR TRANSPORTATION STEERING COMMITTEE DID NOT SUPPORT A SPECIFIC INCREASED FUNDING LEVEL, RECOGNIZING THAT COMMITMENTS OF FEDERAL RESOURCES MUST BE SET WITHIN SOME OVERALL LIMITS. OUR BOARD OF DIRECTORS, IN A SERIES OF RECOMMENDATIONS SUBMITTED TO THE CARTER ADMINISTRATION, RECOGNIZED THAT "HARD CHOICES HAVE TO BE MADE ABOUT THE FUTURE DIRECTION OF OUR NATION. THERE ARE MANY NEEDS. NOT ALL OF THEM CAN BE MET WITHOUT SACRIFICES."

WE DO BELIEVE THAT WHATEVER THE FUNDING INCREASE MAY BE, MOST OF THE INCREASE SHOULD BE IN SECTION 5 FORMULA GRANTS WHERE LOCAL AREAS ENJOY THE GREATEST DEGREE OF FLEXIBILITY IN USE OF THE FUNDS.

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TO ASSURE FAIR TREATMENT TO LOCAL AREAS WHICH CHOOSE TO EMPHASIZE THE TRANSIT MODE, WE RECOGNIZE THE NEED TO AVOID A BUILDUP OF UNUSED FUNDS BY OTHER AREAS. WE THEREFORE SUPPORT THE PROVISION IN S.208 WHICH WOULD PERMIT REAPPORTIONMENT OF FUNDS UNOBLIGATED AFTER TWO YEARS.

NACo STRONGLY SUPPORTS THE PROVISION IN S.208 WHICH WOULD PERMIT THE EXISTING AUTHORITY FOR CAPITAL GRANTS IN NON-URBANIZED AREAS TO BE USED FOR OPERATING PURPOSES AS WELL. IN OUR "FAIR SHARE FOR RURAL AMERICA" CAMPAIGN LAST YEAR, NACo POINTED OUT THAT ONLY 1 PER CENT OF DIRECT PUBLIC TRANSPORTATION FUNDS HAVE BEEN SPENT OUTSIDE OF "URBANIZED AREAS." THIS IS SO IN SPITE OF THE FACT THAT 48 PER CENT OF OUR PEOPLE NOW LIVE OUTSIDE OF URBANIZED AREAS. THIS IS SO IS SPITE OF THE FACT THAT RURAL AMERICANS HAVE THE HIGHEST PERCENTAGE OF THE "TRANSPORTATION DISADVANTAGED" -- THE AGED, THE POOR, CHILDREN -- AND THE GREATEST DISTANCES TO TRAVEL FOR BASIC NECESSITIES -- FOOD, EDUCATION, MEDICAL CARE AND JOBS.

WE SUPPORT THE PROVISION IN S. 208 WHICH WOULD PERMIT THE SECRETARY OF TRANSPORTATION TO WAIVE UNNECESSARILY COMPLEX LEGAL REQUIREMENTS, WHICH ARE IRRELEVANT IN RURAL AREAS. URBAN TRANSIT SYSTEMS ARE COSTLY AND COMPLEX. THE SMALL SYSTEMS NEEDED TO MEET THE NEEDS OF OUR RURAL FOLK ARE RELATIVELY SIMPLE. FOR TOO LONG, COMPLEX REQUIREMENTS HAVE STOOD IN THE WAY OF BETTER SERVICE FOR OUR PEOPLE.

IN SPITE OF THE ACTION OF CONGRESS TO PROVIDE THE OPPORTUNITY FOR FUNDING OF CAPITAL NEEDS OUTSIDE OF URBANIZED AREAS IN 1974, WE ARE VERY CONCERNED ABOUT THE LACK OF ATTENTION WITHIN THE URBAN MASS TRANSPORTATION ADMINISTRATION TO RURAL PROGRAMS. IT HAS BEEN 26 MONTHS SINCE THE 1974 LEGISLATION WAS ENACTED. STILL THERE IS ONLY MINOR ATTENTION -- A PART TIME EFFORT BY TWO PEOPLE THAT WE CAN IDENTIFY -- TO THE NON-URBANIZED PROGRAM GUIDELINES -- AND THERE'S NO INDICATION OF WHEN THEY MAY BE AVAILABLE. NACo URGES YOU TO PROVIDE A MANDATE TO UMTA TO USE ITS AUTHORITY IN SPEEDING FUNDS OUTSIDE URBANIZED AREAS.

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SINCE ACTIVITY IN THE AREA OF NON-URBANIZED PUBLIC TRANSPORTATION IS SPOTTY, OUR POLICY SUGGESTS THAT FUNDS FOR NON-URBANIZED AREAS SHOULD BE ADMINISTERED ON A DISCRETIONARY BASIS INITIALLY WITH GRADUAL TRANSITION TO STATE OF LOCAL ALLOCATIONS AS STATES OR LOCAL GOVERNMENTS DEVELOP ADMINISTRATIVE CAPACITY AND FUNDING COMMITMENT.

THE NATIONAL ASSOCIATION OF COUNTIES RECOGNIZES THE NEED FOR MOBILITY FOR ALL, PARTICULARLY THE TRANSPORTATION DISADVANTAGED. AT THE LOCAL LEVEL, WHEN WE COMMIT OURSELVES TO A WORTHY GOAL, WE MUST HAVE THE FUNDS AVAILABLE TO BACK UP OUR COMMITMENT. WE THINK THE SAME PRINCIPLE SHOULD HOLD TRUE FOR THE FEDERAL GOVERNMENT. NO ONE REALLY KNOWS THE FULL COST OF THE GOALS ASSOCIATED WITH THE ISSUES OF MOBILITY AND ACCESSIBILITY.

THE NATIONAL ASSOCIATION OF COUNTIES URGES YOU TO RECOGNIZE THE SIGNIFICANT OPERATIONAL DIFFERENCES IN PROVIDING SERVICE TO THE AMBULATORY AND TO THE NON-AMBULATORY ELDERLY AND HANDICAPPED. WE URGE MAXIMUM LOCAL FLEXIBILITY FOR LOCAL UNITS TO DEVELOP SERVICE METHODS MOST APPROPRIATE TO THE PARTICULAR LOCAL SITUATION -- TO SERVE THE DIFFERENT TRANSIT NEEDS OF AMBULATORY AND NON-AMBULATORY GROUPS WITHOUT IMPAIRING SERVICE TO THE GENERAL PUBLIC. AND WE MOST SERIOUSLY URGE YOU TO PROVIDE APPROPRIATE LEVELS OF FUNDS TO ASSURE THAT MANDATED GOALS CAN BE ACHIEVED.

COUNTY OFFICIALS ARE SERIOUSLY CONCERNED WITH THE MANNER IN WHICH SECTION 13(c) LABOR PROTECTIVE PROVISIONS HAVE BEEN ADMINISTERED BY THE DEPARTMENT OF LABOR. WE ARE BEGINNING TO SECURE EVIDENCE THAT 13(c) REQUIREMENTS AND PROCEDURES ARE UNNECESSARILY THWARTING THE GOOD FAITH EFFORTS OF LOCAL GOVERNMENT TO PROVIDE NEEDED PUBLIC TRANSPORTATION SERVICE. WE BELIEVE THIS IS PARTICULARLY TRUE IN EFFORTS TO EXPAND SERVICE IN NON-URBANIZED AREAS AND IN PARATRANSIT DEVELOPMENTS AIMED AT IMPROVING MOBILITY OF THE HANDICAPPED AND THE ELDERLY. WE URGE THE COMMITTEE TO REVIEW THE ADMINISTRATION AND IMPACT OF 13(c) PROVISIONS ON TRANSPORTATION SERVICE.

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ANOTHER ISSUE WHICH CONCERNS US IS THE ROLE OF LOCAL ELECTED OFFICIALS IN THE DECISION-MAKING PROCESS RELATING TO PUBLIC AND OTHER URBAN TRANSPORTATION. WE IN NEW YORK ARE FORTUNATE, FOR OUR STATE GOVERNMENT HAS BEEN RELATIVELY SYMPATHETIC TO THE NEED TO KEEP US AT THE LOCAL LEVEL INVOLVED IN THE DECISION PROCESS.

IN OTHER AREAS, COUNTIES DO NOT FARE SO WELL. THE NATIONAL ASSOCIATION OF COUNTIES URGES YOUR ASSISTANCE IN SEEKING AMENDMENT TO TRANSIT AND HIGHWAY LAW TO PROVIDE OPPORTUNITY FOR DESIGNATION OF METROPOLITAN PLANNING ORGANIZATIONS BY LOCAL ELECTED OFFICIALS.

WE LOCAL ELECTED OFFICIALS ARE INCREASINGLY FINDING OURSELVES AT THE SPOT WHERE THE BUCK STOPS. AS FEDERAL AND STATE LEGISLATORS MANDATE NEW AND EXPANDING SERVICES, WE FACE THE CITIZENS WHO WANT TO KNOW WHERE THEIR SHARE IS. AND WE ARE THE ONES WHO MUST PICK UP WHATEVER BILL REMAINS WHEN THE FEDERAL AND STATE FUNDS ARE USED UP. THIS IS TRUE IN HEALTH, IN WELFARE, IN CRIMINAL JUSTICE -- AND IN TRANSIT. WE MUST, THEREFORE, BE INVOLVED IN ALL ASPECTS OF PLANNING, OPERATIONS AND FUNDING DECISIONS.

FINALLY, WE SUGGEST THE COMMITTEE SOMEWHERE ADDRESS THE NEED FOR UMTA OR DOT TO MAKE SOME RESPONSIBLE EFFORT TO IMPROVE COORDINATION OF THE MYRIAD OF HEALTH AND SOCIAL SERVICE TRANSPORTATION SYSTEMS WHICH ARE SPRINGING UP THROUGHOUT THE NATION. MANY COUNTIES ARE RECOGNIZING THAT SCORES OF PUBLIC AND NON-PROFIT AGENCIES ARE PURCHASING VEHICLES WITH HEW AND OTHER FEDERAL SOCIAL SERVICE FUNDS. THE TRANSPORTATION PROVIDED IS TYPICALLY INADEQUATE TO MEET THE NEEDS, INEFFICIENT, UNCOORDINATED, COSTLY AND SOMETIMES UNSAFE. WE URGE THE COMMITTEE TO CONSIDER WAYS TO ASSURE IMPROVED SERVICE TO VARIOUS CLIENT GROUPS THROUGH BETTER COORDINATION WITH EXISTING SYSTEMS.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, THAT CONCLUDES OUR FORMAL STATEMENT. COPIES OF NACo POLICY RESOLUTIONS SUPPORTING THE POSITIONS EXPRESSED IN OUR TESTIMONY ARE ATTACHED FOR THE RECORD. WE DEEPLY APPRECIATE THE OPPORTUNITY TO PRESENT OUR VIEWS ON THIS VITAL LEGISLATION. WE ARE NOW READY TO ANSWER ANY QUESTIONS YOU MAY HAVE.

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RESOLUTION ON PUBLIC TRANSPORTATION PRIORITIES

WHEREAS, continued orderly development of our nation's public transportation systems requires assured continuity of funding; and

WHEREAS sufficient time has elapsed for the identification of certain areas where legislative and administrative improvements could lead to improved and expanded service and increased efficiency; and

WHEREAS county governments are becoming increasingly involved in the public transportation function as a result of the major national expansion of transit funding through the 1974 National Mass Transportation Assistance Act increasing attention to transit as an alternative for movement of people in all local areas, increasing attention to various national and local goals including energy conservation and reduction of air pollution, and the need to meet mobility needs of special groups of the American public, such as handicapped, elderly. rural and others

THE TRANSPORTATION STEERING COMMITTEE OF THE NATIONAL ASSOCIATION OF COUNTIES URGES THAT:

Careful attention be paid to the need for amendments to the Urban Mass Transportation Act of 1964, as amended, including

* A two-year extension through 1982 of the Urban Mass Transportation Act of 1964, which authority will otherwise expire in 1980;

* Increase in the federal funding level to permit expansion in funding for the final two years of the current authorization and gradually increasing levels of funding thereafter;

* Emphasis in any increased funding for urbanized areas for Section 5 formula grants to retain maximum local flexibility in determination of use of funds, with a provision as used in highway law, that Section 5 funds not obligated after 3 years be re-allocated among other urbanized areas

* Establishment of a special authorization for a public transportation program outside of areas eligible for the Section 5 formula grant program, with fair share of funding, mandated use of such funds by the federal agency, authority for use of such funds for operating purposes to the same degree to which they may be used for such purposes in urbanized areas, federal administration on a discretionary basis initially with gradual transition to state or local allocations as states or local governments develop administrative capacity and funding commitment;

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- Clarification of the role of local elected officials* in the decision-making process for transportation planning, operations and funding, including amendment in transit and highway law to provide opportunity for designation of Metropolitan Planning Organizations by local elected officials;

- Required inclusion of local elected officials or their designees on the governing board of public transportation operating agencies which utilize federal funds;

- Clarification of Congressional intent to attain resolution of critical problems in the administration of Section 13(c) labor protective provisions which contribute to inflationary factors in transit operations, inhibiting expansion of needed commuter transit and initiation of sorely needed special services to address the special needs of handicapped, elderly, rural and other transit disadvantaged groups;

- Clarification of Congressional intent regarding mandated services for the handicapped and elderly, recognizing the operational differences in serving ambulatory and non-ambulatory persons and assuring maximum local flexibility in determining how best to meet the particular mobility needs of local populations;

- A mandate for the federal public transportation agency to assume responsibility for improving coordination of the scores of costly, inefficient special transportation services being funded through hundreds of separate federal health and social services types of programs for particular client groups.

* From the American County Platform: "Responsible local officials should be defined in federal and state law as those local officials who are elected and directly accountable to the public whom they serve and who have jurisdiction over matters relating to highways, transit, and airports. Such officials have capability to raise the required matching money for federal funds. These officials may delegate their authority to act to subordinates or to regional or state associations."

Adopted by NACo Transportation Steering Committee
December 15, 1976

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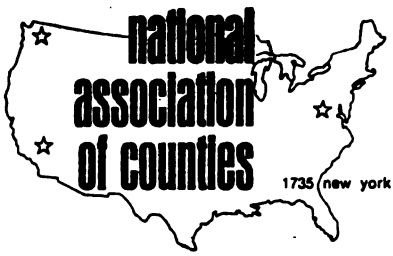

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RESOLUTION ON PUBLIC TRANSPORTATION FOR ELDERLY AND HANDICAPPED

WHEREAS, the elderly and handicapped are often effectively immobilized and denied participation in the life of their communities as a result of their inaccessibility to public transportation facilities; and

WHEREAS, the elderly and handicapped are among those with the greatest need for health and social services available to them only if transportation is available; and

WHEREAS, the elderly and handicapped are among those least able to afford the high cost of most transportation services which are available to them; and

WHEREAS, the Congress has reacted to the very serious needs of the elderly and handicapped in the 1974 Federal Highway Act and the 1975 DOT Appropriations Act by mandating immediate accessibility of the elderly and handicapped to public transportation facilities; and

WHEREAS, UMTA is considering regulations on accessibility standards and bus design; and

WHEREAS, the significant problems of planning, design, and operations may result in serious delays in procurement and increase in cost of equipment and service to all members of the general public.

NACo URGES THAT:

Congress and UMTA clarify their requirements to:

- recognize the national goal of maximum mobility for the elderly and handicapped;

- provide appropriate levels of funding and opportunity to search for alternative equipment design and service methods to assure speedy implementation of this goal;

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- recognize the significant operational differences in providing service to ambulatory and to non-ambulatory elderly and handicapped;

- assure that any requirements for vehicle design will require only minimal performance standards and encourage the greatest possible flexibility and choice of design to meet individual community needs;

- without unnecessary restriction, allow local units to develop methods most appropriate to the particular local situation to serve the different transit needs of ambulatory and non-ambulatory groups in a manner which will not impair transit service to non-handicapped members of the general public.

Adopted, June 30, 1976, Salt Lake City, Utah

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RESOLUTION ON RURAL TRANSPORTATION

WHEREAS, in the landmark National Mass Transportation Assistance Act of November 26, 1974, Congress directed the Urban Mass Transportation Administration to set aside $500 million of Section 3 capital grant funds for use in non-urbanized areas; and

WHEREAS, 48 per cent of the American people live in such non-urbanized areas; and

WHEREAS, the poverty rate is higher and distances to be traveled greater in such areas; and

WHEREAS, many non-urbanized Americans are therefore more immobile than other Americans; and

WHEREAS, UMTA has thus far expended only approximately one per cent of its funds to serve 48 per cent of the American public; and

WHEREAS, the National Association of Counties strongly supports a "fair share" for rural America;

The NACo Transportation Steering Committee urges that Congress and the Department of Transportation correct the inequity of public transportation expenditures to assure that the transit needs of non-urbanized America are addressed immediately, through:

- Immediate passage of legislation permitting use of non-urbanized capital funds available under Section 3 of the Urban Mass Transportation Act for operating purposes as well, at local option;
- Specific actions to inform counties and other public entities in non-urbanized areas of the availability of Section 3 funds;
- Specific actions to simplify application procedures for qualified public entities in non-urbanized areas;

* Non-urbanized area is a reference in Urban Mass Transportation legislation which limits most UMTA programs to areas defined by the Census Bureau as exceeding 50,000 population

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RESOLUTION ON RURAL TRANSPORTATION

- Establishment of a specific organizational focus within UMTA with adequate and qualified personnel, specifically assigned responsibility for technical assistance and administration of the simplified procedures for a capital grant program for non-urbanized areas;
- Specific action to promote coordination of federal transportation expenditures by such programs as Title XX Social Services, Aging, Headstart, Appalachia, Community Services, and scores of others that are providing needed transportation in non-urbanized areas, but serving only their own specific client groups rather than overall public transportation needs.

Adopted, June 30, 1976, Salt Lake City, Utah

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RESOLUTION

NEEDED COORDINATION OF PUBLIC TRANSPORTATION SERVICES FOR THE TRANSPORTATION DISADVANTAGED

WHEREAS, existing public transportation services are inadequate or non-existent in most areas of the country, and

WHEREAS, this deplorable situation has resulted in the inaccessibility to health, educational and social services, and centers of employment, shopping and other needs of millions of Americans who are "transportation disadvantaged" including the elderly, the handicapped, the poor, youth, and those in rural areas, and

WHEREAS, the myriad of federal agencies which are the source of funds for services to people have therefore often found it necessary to finance special transportation services for their separate, specialized clientele groups, and

WHEREAS, this practice has resulted in the existence of hundreds of inefficient, uncoordinated, costly, and often unsafe federally funded vehicles and transportation programs at the local level, and

WHEREAS, current legal and administrative requirements and practice make it difficult for responsible local elected officials to respond appropriately to the needs of the transportation disadvantaged in a coordinated, cost-effective, safe, and efficient manner,

NOW THEREFORE BE IT RESOLVED, that the Transportation Steering Committee of the National Association of Counties urges the following actions to remedy this situation and improve accessibility of the transportation disadvantaged to needed services:

1. The Congress should direct a thorough analysis by the General Accounting Office of the myriad of federally-funded fragmented and uncoordinated transportation components of the hundreds of categorical health, educational, and social service programs serving disadvantaged Americans; this study should include a cost-benefit analysis and an identification of legal and regulatory impediments to the coordination of

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transportation services at the local level. The Congress should then enact legislation aimed at correcting any legal impediments to coordination of transportation services for the transportation disadvantaged.

2. The Department of Transportation should undertake a special initiative to fund coordinated, county-wide demonstrations of safe, efficient, cost-effective public transportation services aimed at eliminating needless duplication and inefficiency in transportation components of existing health, educational, and social service programs throughout the county.

3. The Office of Management and Budget should direct all federal agencies which currently fund transportation components under existing health, educational, and social service programs to initiate public transportation services meeting the needs of all such existing programs. This should include authority to issue waivers against regulatory impediments such as use of vehicles purchased by one program from being used to serve clients of other programs.

4. The Office of Management and Budget should also issue a special notice to all A-95 Clearinghouse agencies instructing them to analyze grant applications which include transportation components to assume maximum feasible efforts to encourage coordination and minimize unnecessary duplication of vehicle purchases and service operations and to report back to the OMB of all situations where legal and regulatory impediments interfere with such efforts.

5. The National Association of Counties should undertake a special effort to inform its member counties of opportunities for county governments to improve mobility of the transportation disadvantaged by providing efficient, safe, and cost-effective service to the specialized clients of federally-funded service programs under contractual arrangements with the various categorical programs.

Adopted by NACo Transportation Steering Committee Oct. 22, 1975

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RESOLUTION

TRANSPORTATION LABOR PROTECTIVE AGREEMENTS SECTION 13(c)

WHEREAS, Section 13(c) of the Urban Mass Transportation Act of 1964 requires as a precondition to UMTA assistance, "fair and equitable" arrangements to protect the interests of employees by such assistance; and

WHEREAS, the determination of what is "fair and equitable" is made only by the Secretary of Labor without benefit of written regulations; and

WHEREAS, before making this determination, the Secretary of Labor submits proposed labor protective agreements to unions representing affected employees; and

WHEREAS, the Secretary of Labor typically submits such proposals to many labor organizations, even where there is only a very minimal potential interest involved; and

WHEREAS, the Secretary of Labor sets no limit on the length of time such organizations may take to review the proposed agreement and such review often results in unreasonable and unnecessary delays in funding; and

WHEREAS, the effect of this practice is to allow labor organizations to hold hostage needed UMTA grants; and

WHEREAS, the pressure on transit officials to sign these agreements in order to assure continuity of public transportation service cannot realistically be ignored; and

WHEREAS, these pressures make management of transit operations in an orderly, efficient and cost-effective manner impossible.

NACo URGES THAT:

. The Administration continue and expedite their presently ongoing effort of analyzing the status and effect of the 13(c) process with the intent of having UMTA and/or the Department of Labor implement administrative changes immediately establishing a more orderly and simplified procedure for automatic and/or semi-automatic certification as long as a valid and binding 13(c) agreement is already in force.

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. This action be taken with the further intention of UMTA and/or the Department of Labor ultimately issuing formal guidelines and/or regulations regarding 13(c) certification.

. The following suggestions for improvement be considered within the context of the above resolve and of the basic principle that unless an interested party can affirmatively demonstrate the need for a change in a prior agreement, certification should follow:

- Certain routine capital and operating grants should receive automatic certification and that UMTA should develop a certain set of criteria to clearly define and identify "routine" projects,

- Substantive grant applications should include the following minimum procedures:

  — final application including a negative declaration and a declaration to abide by 13(c) if dismissal or displacement should nevertheless occur, should be submitted to local union(s) 10 days prior to filing with UMTA,

  — 13(c) certification should be automatic unless a petition by an interested party is made within a specific time frame,

  — provisional certification should be granted under a strict time limit even under petition,

  — if impasse occurs, the Secretaries of the Departments of Transportation and Labor, or their designees, should utilize discretionary powers to reach a binding determination.

- Further consideration be given to:

  — the need for a review of the appropriateness and relevance of the provisions and use of the so-called "model agreement" negotiated and signed by the American Public Transit Association (representing management) and the Amalgamated Transit Union and Transport Workers Union of America,

  — the need to separate application of agreement provisions appropriate for rail transit employees which are based upon 19th century rail provisions from those appropriate for modern transit system employees,

  — the need to ensure that state collective bargaining laws will apply to local transit public employee labor relations and shall not be preempted by the Secretary of Labor.

Adopted, June 30, 1976, Salt Lake City, Utah

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Senator WILLIAMS. Thank you very much, Mr. Caso and other members of your panel from the National Association of Counties. You have done a commendable and constructive thing by bringing to us testimony from varied communities, from rural Greene County and Santa Clara County, whose center city is San Jose—I would imagine—I don't know this, but I would guess that Santa Clara County is not in a great urban sprawl as is Nassau County. Am I right or wrong?

Mr. DIRIDON. I wish you were right, but you're wrong.

Senator WILLIAMS. You're part of the urban sprawl problems then which are very similar to Nassau County?

Mr. DIRIDON. We contain 15 cities, 1,300,000 population. We're rapidly growing.

Senator WILLIAMS. This community of yours has been significant all the way through our development. A present Member of Congress, a former mayor of San Jose, has been a partner over the years and has contributed a lot to where we are now and you picked it up and you're here from the county and, of course, the Congressman will be part of it in the House and we know the situation in Nassau. I appreciate your positive approaches here to meeting the needs, as we are trying to do, through this particular legislation which preserves what I think is an essential—the opportunity to make intelligent, relatively long-range plans and know that they will be honored and you won't be cliffhanging each year by the appropriations process.

Mr. CASO. Yes; that's very important, Senator, because as we make our commitments we don't like to find later that having made them the funds are cut off either from the State or Federal level and then, as you know, in the county level of government the only way we can raise revenue is the real property tax or the sales tax and my constituency tells me that they have had it in both those areas, so that's very critical.

I would also like to again, if I may, without being burdensome, stress the point relative to the formula, and perhaps Mr. Diridon would like to comment also.

We have more passengers and more operating problems in operating our mass transit systems, as you well know being from New Jersey, but we get less Federal aid because the formula being used discriminates against us and it's based on population density rather than the actual transit ridership, and a city under the present formula such as Grand Rapids receives 22 cents for each cent that is allocated to New York's Metropolitan Transportation Authority. I just wanted to make that point again that the formula works inequitably in my judgment for those reasons that I have indicated. I would like to think that perhaps you might consider some method of equalizing that formula, particularly for those areas like Nassau County which, as you know, with 1½ million people, is larger than 15 States. If we were a city we would be the sixth largest city in the Nation. So we do have problems of mass transit in trying to build a transportation system at the same time, to say nothing of the Long Island Railroad which is so critical to the area that I represent. So I just wanted to make that point a little more strongly.

Senator WILLIAMS. Well, that discretionary fund is in part addressing itself to this problem of the inequity.

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Mr. CASO. Yes, and I think that's a very good point. The discretionary fund, except again the fact that it is discretionary and optional, I think is something that might disturb us a little bit.

Senator WILLIAMS. And an earlier witness suggested that's discretionary but with some guidelines and it might include some of your thoughts on the impact of passenger miles and ridership.

Mr. DIRIDON. I think in all fairness to NACo, it should be stressed that NACo's position on the formula is not to change it and accept your concept of that discretionary fund.

Senator WILLIAMS. I read that. You're a national organization.

Mr. DIRIDON. Otherwise, emerging systems would never be able to emerge.

Senator WILLIAMS. Yes. And I appreciate that and that's why we have this supplementary approach on a discretionary basis, but maybe that should have some legislative guides, too, within the discretion.

If I could refer to your statement, Mr. Caso, you urge maximum local flexibility for local units to develop service methods most appropriate to the particular local situation to serve the different transit needs of ambulatory and nonambulatory groups without impairing service to the general public. Now I wonder if you could tell me a little more completely what you mean on the difference in transit needs and the ambulatory and nonambulatory groups.

Mr. CASO. Yes; in having to deal with the handicapped, what we have tried to do with the help of UMTA funds is to buy buses that are adaptable for wheelchairs, for example, and what I'm sure you have heard before is referred to as the kneeling bus where a step is depressed so that an elderly person or a handicapped person, those with perhaps crutches, can get on the bus without having to have the difficulty of raising themselves to the higher level. I think it is important that we have funds allocated for that kind of passenger who obviously is without public transportation and is not going to be able to get around. He or she cannot drive a vehicle so I think it's critical that there be special provisions made for the ambulatory, the nonambulatory, handicapped, who must use public transportation and to make funds available for special equipment that can accommodate those who are handicapped and specifically I cite the wheelchair case.

In other areas, perhaps the use of jitney buses, smaller vehicles that could be better handled as you get into a suburban community with residential roads and curving lanes and what have you. That kind of thing is what we're talking about which I think must be handled specially by the legislation.

Senator WILLIAMS. Well, now this jitney in certain areas, that would be useful to anybody, ambulatory or nonambulatory.

Mr. CASO. Yes; that's true. It doesn't have to be necessarily, but the fact that it is maneuverable and more easily accessible into suburban communities would make it desirable for this purpose as well.

Senator WILLIAMS. And I believe the research and development has now brought us to the point where we can say that buses that fully comply with the law in regards to accessibility for those that have handicaps is even a more desirable and efficient vehicle for those who are ambulatory. I would suggest that if we could go down that road we could make it—we don't have to differentiate.

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Mr. DIRIDON. Senator, I'd like to stress that Santa Clara County has in fact decided to go down that road and has received permission from MPO, the Metropolitan Planning Organization, to do so. We have information indicating that our request for 80 replacement buses and 100 additional buses will all be handicap accessible and will have lifts. We found through our analysis that this is much more economical way of providing transportation and it's really accessible to all.

Senator WILLIAMS. Excellent. I'm glad you added that. The Metropolitan Planning Organization, I had some questions. How is that working out, your MPO?

Mr. DIRIDON. Generally, it's fine. I think that it is a difficulty whenever you have an MPO with jurisdiction over more than one system. When you do, of course, there's competition between the systems for limited funds. If the MPO's can be restricted to a system at a time, then I think that problems will work out and I think the best way to accomplish that is to let the local elected officials designate the MPO.

Mr. CASO. One of the problems we have with the MPO is the Tri-State Area. Tri-State is all one metropolitan planning organization and it's rather large. In Nassau County, for example, we have no voting member on that board. We are seeking State legislation that would give Nassau and Suffolk Counties one member that would be a voting member and then the Hudson Valley Counties are also asking for one member. So we are hoping we can get a better voice for that area on our Tri-State organization. But that's one of the faults that we find with it, that we are not consulted in many of the decisions that are made and then handed down to us without consultation. We are seeking relief in that area through the addition of at least a voting member that would represent the Nassau-Suffolk communities which are, as you know, almost 3 million people.

Senator WILLIAMS. In terms of this program of urban mass transit the designated recipient is the county in your case?

Mr. CASO. Yes; it would be the county.

Senator WILLIAMS. Senator Schmitt.

Senator SCHMITT. Thank you, Senator, and I congratulate you on your hard efforts in this area and also the NACo group for coming in and educating me as a new Senator in the Senate and particularly a new Senator associated with this subcommittee and with this full committee. I'm particularly interested this morning in the situations surrounding 13(c) which you referred to, Mr. Caso, and I'd like to acquaint you if I may with a situation involving Albuquerque, N. Mex., where MTA funding has been withheld to the extent of more than $1 million because the United Transportation Union International has not approved the labor protection clause in the Grant Act.

These clauses have been approved by the local UTU. That's local 1745 if you're interested. The possible result of the failure of the international union to agree to these clauses will be the loss of $700,000 a year in operating subsidies to the city. The loss of these subsidies will force the elimination of some services, major services, now provided.

The UTU Local 1745 signed a 13(c) agreement with the city of Albuquerque and this agreement guarantees there will be no damaging effect on the rights of union employees as the regulation requires.

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However. the international has not agreed to provisions in that agreement and in the past has advised locals not to sign these 13(c) agreements without the approval from the international office. Apparently the Department of Labor has agreed not to approve any UMTA funds without the approval of the international union, although this is not required by 13(c) as you well know.

All of these actions are being taken in violation of what I think the intent of Congress was with regard to the approval of 13(c) agreements. In the report to the House Committee on Banking and Currency, the following statement was included:

> The committee wishes to point out that subject to the basic standards set forth in the bill specific conditions for worker protection will normally be the product of local bargaining and negotiations.

I think it's unfortunate that local jurisdictions will lose UMTA funding to which they would otherwise be entitled simply because the Department of Labor disregards what we think is the intent of Congress.

I wonder if you have any comment on this situation or the situation you may have faced in similar circumstances.

Mr. CASO. Yes; Senator Schmitt, because in Nassau County we did apply for UMTA funding in order that we might take over failing bus companies that were privately operated and were deteriorating so rapidly that there was literally no mass transit bus service in our county. We did opt for takeover by the county government and since it was an expensive proposition we are grateful that UMTA did make money available for the acquisition. We did run headon into 13(c) because several unions were involved in the operation of the public transportation system in the private sector. We found it a very difficult part of the requirement since we thought that some of the terms were rather onerous.

Specifically, in one instance, where if as a result of the county government taking over the private bus company it required the layoff of employees, bus drivers, we had to guarantee I think for a period of 6 years that they would remain on the payroll and pay them as if they were working. That became to us a very serious problem. We were able through negotiation, however, to work it out and we did not run into the problem that you have indicated that happened in Albequerque. But we did live in fear and trepidation of what the impact of 13(c) would be if we had difficulty in developing the public transportation bus system and we have admittedly had problems in increasing ridership and getting people to ride buses and adding new equipment and systems and what have you.

One of the other difficulties that we have now as we talk about suburban counties such as Nassau County, even though we are larger than some States and some cities, we consider ourselves still suburbia because the way in which our developments have been laid out and we think it is important that we have paratransit facilities available, transportation for elderly and handicapped as well as those who live in an interior of a community and can't get to the main bus line unless they take some other means of transportation. It may be too far for

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them to walk. So we have devised a program which is presently with the Department of Transportation, the Secretary of Transportation for jitney buses for dial-a-ride in effect, and the reason we have not gone forward with it is because we have run into this problem of 13(c) where local taxi operators, those who run ambulets and others in private transportation but with small type vehicles—not the bus kind of transportation that ordinarily you associate with bus transportation—are saying that they must come under the provisions of 13(c). If a taxi company, for example, that operates privately loses business or goes out of business because we're now providing a service which we call paratransit, taking someone from the interior of a community to a main feeder line or to a railroad station, under the provisions we are told of 13(c) we would have to make that company harmless, the hold harmless provision, pay them the damages for their failure because of what we are doing in this area of providing paratransit; and for that reason I have absolutely refused to go forward with the acceptance of the grant for the dial-a-ride system in Nassau County.

I think again this is becoming one of the serious problems of 13(c) as it relates to the sophisticated kinds of transportation that we may want to develop to meet the needs of these people that are our constituents.

Senator SCHMITT. Have you or any of the other gentlemen had a problem with the international union overriding local agreements that you might work out?

Mr. CASO. As I indicated, Senator, I did not in the experience I related to you in taking over the bus system in Nassau County.

Mr. DIRIDON. No.

Mr. BRANCH. No.

Mr. DIRIDON. In fact, the only problems that Santa Clara County has had with 13(c) is with regard to the managers of what would turn out to be competing organizations causing serious problems. For example, right now they are causing serious problems in holding grants up until we paid certain fees to them to take over lines that they had in the past carried in intracountry transportation.

Senator SCHMITT. Do you have an opinion of whether you prefer negotiating with local unions or an international?

Mr. DIRIDON. Certainly the local union has been very effective for us. We have had no problems with the international union. I'd much rather not bargain with the Greyhound though.

Mr. CASO. I think we'd feel better if we deal with the local unions as well.

Mr. BRANCH. Senator, in my area I do not have to worry about the union in Greene County because we have never had a public transportation program like we're discussing today. So I do not have any statement on that other than that. We have never had any experience with a union.

Senator SCHMITT. Another question related to 13(c) new regulations governing section 13(c) agreements allow the Secretary of Labor to certify recurring grants based on the existing 13(c) agreement. The regulations relate to many kinds of recurring grants.

Do you think this procedure could be used with respect to grants made for operating subsidies?

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Mr. CASO. I don't quite follow your question, Senator. I'm sorry.

Senator SCHMITT. Well, as I understand it, generally under this law recurring grants can occur but presumably are subject to 13(c).

Mr. CASO. You mean within the same system that you take over?

Senator SCHMITT. No; the grants generally for capital facilities of various kinds. The question is, and we're getting in with this legislation more operating subsidies. Do you see any problem with 13(c) interfering with receiving grants for operating subsidies?

Mr. CASO. Yes.

Senator SCHMITT. We're seeing problems in receiving grants for capital or others?

Mr. CASO. Yes, I definitely would. I think that would be a tremendous burden to overcome if when we need money for operating subsidy—and I think in my area when we talk about aid to mass transit that's really what we're talking about—that $6 billion highway trust fund that we can't touch unless we want to build highways, and we're trying to break that open as you know and get operating subsidy. If 13(c) is added to every application that would qualify us for operating subsidy I think what you will have there is the unions demanding then that there be contracts negotiated with them and there would probably be pressure on the governments to enter into new salary negotiations, contracts, what have you, based on getting operating subsidy. I think that's one of the real problems we face when we talk about the Congress and we talk about the West and the South not wanting the East to get into, for example, a highway trust fund because they say what you're going to do is deplete that money and give it away in fringe benefits and salaries and benefit the employees of the system as against improving the operation of public transportation.

So I think 13(c), if it is applied to operating subsidies, would be a negative factor in trying to get any improvement in the service.

Senator SCHMITT. Thank you very much. Senator Williams, I think that it might be appropriate some time in the discussions of this or oversight activities that we talk with the Secretary of Labor about how they are planning to interpret in this administration the provisions of 13(c) because I think it's obvious that it is causing some difficulties not only at the local level but particularly when the international union is brought into the local situation.

Senator WILLIAMS. I'm glad you raised it and I agree with you. We have a new administration, a new Secretary of Labor, and he should be introduced to these problems and we certainly don't want to see a provision that was in for worthy reasons not working out to serve the best interests of everybody here.

Mr. CASO. I know you particularly, Senator Williams, have had a very enlightened view relative to that and I appreciate that.

Senator SCHMITT. I just had another thought. Just for the record, let's make sure—we always tend to think in terms of handicapped people as being nonambulatory or wheelchair. There are other groups that run into problems just because of that attitude—epileptics, for example, cannot drive. They need the public transportation and very often are forgotten when we talk about the handicapped. There are others, the blind and others. I really think when we discuss this we should be careful of saying handicapped and not always the wheelchaired person.

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Mr. CASO. Yes, I agree. It should take in those with cerebral palsy, mentally retarded, epileptics, mentally disturbed people who are generally not thought of as handicapped in the sense of the wheelchair, as you have indicated, a physical impediment.

Senator SCHMITT. It's different between visible and invisible. Thank you, gentlemen. I appreciate your testimony and the education. I hope we will have a chance to do it again very soon.

Senator WILLIAMS. Just one windup question if I could. Where will we be if we don't get this measure or something like it enacted this year? Where will we be from your standpoint, you who are on the transit front lines back in your communities?

Mr. DIRIDON. Let me answer from the point of view of an emerging system and maybe Ralph would like to comment from the point of view of an established system.

There are serious problems of credibility on the local level when we talk about planning a larger system when Federal funds are not available.

For example, we have been discussing with our constituents the possibility of extending a light rail program in the area. All of the consultants that we have been able to obtain advice from indicate that the area is ready for that kind of system. Our buses are overused and the system is apparently appropriate but it's difficult to persuade the public of this when the regional UMTA administrator comes into the area and says there's absolutely no money on the Federal level for any kind of system like this, and there's no money on the horizon.

Now if we can point to your bill in law and say now let's plan a real mass transportation system that will be good for the next 30 years, then we can plan based on fact rather than on speculation and we can plan with public support.

Mr. CASO. Yes, Senator, I believe there must be continuity because it's very difficult when you're trying to develop a public transportation system or maintain one, particularly in the area that I come from where if there isn't one car in the family there's two or three or people say why do we have to have buses; why do we have to subsidize a railroad?

Unless there's a continuity and unless the funds are forthcoming from the Federal level, as your bill will accomplish, I think you're going to see the death at the local level of any efforts to either maintain or improve public transportation.

So I say this is a must and with all due respect to those who may have testified earlier saying we ought to wait until the new Secretary of Transportation gets his act together, I don't think we can wait. I think we've got to have continuity here. That's very important and critical in my judgment.

Senator WILLIAMS. Thank you. Just one further question.

I'm impressed with the figures that show the increased local effort in transit and with the Santa Clara most recent referendum on a sales tax. In educating the electorate for that referendum question, was any mention made of the Federal program as a partner in meeting transit needs?

Mr. DIRIDON. Yes, couched in very careful terms, though, promising nothing more than had been committed, indicating that long-term

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funding was not secure except in certain specific areas as described in the law and it was very difficult to obtain the support necessary. It took literally tens of thousands of hours by our board of supervisors and good volunteers to finally get passage on that vote. I think our area is ripe, as is the rest of the United States, for mass transit right now though. If we don't take this opportunity and provide the transit system that the public wants, they will turn to anoher mode. They certainly will, and it will be divisive and destructive.

Senator WILLIAMS. The most difficult example of bad history that I can recall being presented here in testimony over the years is the experience in Metropolitan Los Angeles. It did have a light rail system some 30 or 40 years ago, whatever it was, and abandoned it totally, lost the right-of-ways, and the highways took over totally and it suddenly—the traffic problems were just so horrendous and Los Angeles has been coming in and trying to get back to transit and having lost those rail right-of-ways it makes it just one of the most difficult transportation quandaries we have seen in our country.

Well, thank you very much.

Now we'll hear from the Highway Action Coalition, Environmental Action, Leonard Arrow; and the Sierra Club, Linda Billings. We welcome you with gratitude. Ms. Billings, would you lead off?

STATEMENT OF LINDA M. BILLINGS, SIERRA CLUB

Ms. BILLINGS. Mr. Chairman and members of the committee, my name is Linda Billings. I am a Washington representative of the Sierra Club, which is a national environmental organization with 165,000 members. We appreciate the opportunity to comment upon S. 208, the National Mass Transportation Assistance Act of 1977. The Sierra Club enthusiastically supports this legislation, which is consistent with the following sections of our transportation policy:

(*a*) Transportation should become less energy intensive and, in general, less resource intensive;

(*b*) Transportation facilities should encourage desirable land-use patterns, and should cause minimal further encroachment on the land;

(*c*) Air pollution and noise should be reduced;

(*d*) Transportation planning should avoid the creation of facilities which are domineering and disruptive, and in settled areas should be subordinated to the goal of enhancing the quality of life in those areas;

(4) Encouragement of those modes which are most economical of energy, land, and resources and the least polluting; under these criteria, urban mass transit and railroads are desirable modes;

The need for improved mass transit programs grows more manifest each year as an important component to solutions to the problems of air and noise pollution, congestion, energy consumption, unwise land use patterns, and urban decay. Enough has already been said and documented about these problems that I need not belabor them today in this statement. However, with regard to the latter problem, we would like to take this opportunity to applaud the remarks of Senator Williams in the introductory speech to S. 208 about the important link between

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improved mass transit funding "as part of the broad objectives of urban management, development and revitalization." Similarly, we applaud comments made recently by C. Kenneth Orski, Associate Administrator for Policy and Program Development, Urban Mass Transit Administration, of the "need to place the Federal mass transportation program in the framework of a broader national policy on urban conservation."

Within this context, I would like to point to another problem which increased funding for mass transit programs can solve in conjunction with urban revitalization: jobs, both for public works and public service programs. At the Sierra Club Board of Directors meeting in January of this year a resolution was adopted to make public works jobs programs for the improvement of the urban environment one of the seven legislative priorities for this Congress. Included in the suggestions we are making to the administration and to Congress for public works jobs programs are that they be devoted to environmentally beneficial projects such as mass transit, housing, urban parks, and energy conservation. We ask this committee to lend its support to our efforts to allow communities to use public works jobs funds for mass transit programs.

The Sierra Club supports the increased funding which will be available for new and improved mass transit programs, and we recognize that it will serve as a vital stimulus. However, additional incentives need to be addressed to encourage communities to opt for mass transit projects. There is a need to eliminate the differential in Federal-State matching ratios for other Federal transportation programs. Specifically, the 90 to 10 ratio now given to interstate highway projects still lures States and cities to opt for new highways rather than new or improved mass transit projects.

We support the $15.225 billion authorized by S. 208, which includes $11.427 in new funds and $3.798 billion in carryover funds. However, we do have some cautionary comments to make on the $1.25 billion—$250 million per year—for the new discretionary fund program which would be used to supplement section 5 formula grants. We believe that in making these grants consideration should be given to whether or not the city has made a good faith effort to improve its mass transit system and increase ridership. To illustrate, our New York members have pointed out that despite operating subsidies the subway fares have been increased from 35 cents in 1974 to 50 cents in 1976. While at the same time, necessary improvements to the subway tracks and rolling stock have been neglected and ridership has decreased by an estimated 10 percent over the same period of time. Incentives need to be provided to systems which are making real efforts to improve their existing systems and increase ridership.

With regard to the formula grants we would like to make a further point. The current formula favors population over ridership. This can have the effect of giving a greater subsidy to suburban lines which may carry proportionately fewer riders to the total population of an area. We ask that the committee consider making the formula more equitable. This would also have a beneficial effect upon urban revitalization by encouraging less travel distance.

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Finally, we want to comment upon the provision in the current law which allows a city to transfer up to one-half of its allotment for capital grants to use for operating subsidies, with the proviso that the money is paid back into capital improvements. This resulted in what our New York members call the "Beame Shuffle." The money which was transferred from capital grants to operating subsidies for New York City was paid back from funds raised by a 1967 bond issue which was intended to provide funding for additional capital improvements. The net effect of the "Beame Shuffle" was to decrease the total funds for capital improvements.

Other sources of funding could and should be used for operating subsidies which would not cut into capital improvement funds. For example, in New York the State could restructure its priorities and use some gas tax revenues for mass transit rather than highways. Another source could also be tapped through implementation of bridge tolls under the transportation control plan. It is estimated that $170 million could be raised by increasing tolls on the East River bridges, and this money could be used to provide operating subsidies for the subway system.

In closing, let me say that we hope these suggestions for improvements will not detract from our support for the program's success. We commend Senators Williams and Proxmire and the other members of the committee for the most important support they have given to mass transit programs and the revitalization of our Nation's cities.

Senator WILLIAMS. Well, we also want to express our gratitude to the Sierra Club and people who have been so helpful to us in advancing this and also in seeing that this part of urban complex affairs and problems is in a position here in the committee to be related one with the other. Thank you.

Mr. Arrow.

STATEMENT OF LEONARD ARROW, ENVIRONMENTAL ACTION, HIGHWAY ACTION COALITION

Mr. ARROW. I'm going to skip over the first part of my testimony which is largely the same as Ms. Billings' was.

Senator WILLIAMS. We will include your full statement.

[Complete statement follows:]

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Statement of

LEONARD ARROW
Environmental Action

Concerning
The National Mass Transportation Assistance
Act of 1977

Before the
Subcommittee on Housing and Urban Affairs
Senate Banking, Housing and Urban Affairs Committee
February 23, 1977

Mr. Chairman and members of the Committee:

I am Leonard Arrow, from the staff of Environmental Action, Inc. in Washington. On behalf of our 20,000 members I would like, first of all, to thank the committee for this opportunity to testify on the National Mass Transportation Assistance Act of 1977.

Environmentalists in this country have been traditional supporters of mass transit. We believe that changes in the travel habits of urban residents of the country is a necessary condition to solving the energy and air pollution problems that now confront us. Changing those habits from the one person, one car, method of travel can only be accomplished by shifting a significant amount of travel to mass transit. In order to accomplish such a shift, mass transit must become an economically viable, clean, safe, and speedy method of travel.

Six years ago the mass transit companies of the country were drowning in a sea of red ink. Federal support to local transit systems was virtually nonexistant, and certainly paled in comparison to the multi-billion dollar highway program. Much has changed in the interim. Legislation has been passed twice in the intervening period to drastically increase federal support for mass transit capital programs, and, in 1974, through the leadership of this committee, the Congress passed a mass transit act which provided, for the first time, operating subsidies to alleviate the deficits being incurred by the newly revitalized systems. All of this has been welcome.

We have been encouraged by the public's response to the upgrading of our mass transit systems. The results of recent expenditures on our mass transit systems have begun to show in the increased riderehip transit systems are beginning to report. In order for those ridership gains to remain, and indeed, in order to increase again the number of people using mass transportation, a continued committment to our Urban Mass Transportation program is necessary.

The benefits of a fully funded mass transportation program are widespread and not limited to our urban areas. Transportation consumes approximately 25 percent of the total fuel used in the country. Each gallon of gasoline saved through increased use of public transit represents a gain in our fight to conserve energy.

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Each gallon of fuel not wasted in a traffic jam becomes available for alternative uses, such as the transportation of goods and people where mass transportation is not a viable alternative to motor vehicles. Each gallon saved represents that much less of our money which flows overseas with a detrimental impact on our balance of trade figures, and thereby on the vitality of our economy.

Mass transportation systems are also a necessary component in the fight to clean up our urban air. Cities and states, in an attempt to deal with automotive air pollution problems, have begun implementing transportation control strategies designed to reduce automotive traffic, and thereby automotive pollutants. Such transportation control strategies can only succeed where the public is given a viable alternative in the form of mass transportation. Moneys previously expended, and the money contained in the proposed legislation, are necessary ingredients in this effort. We believe that the past six years have shown that when presented with a viable mass transportation alternative to the automobile, the public responds favorably. Further, in the years ahead as transportation control strategies become an even more important part of our air pollution efforts, mass transit systems funded through this legislation will be asked to perform an even more increasingly important role, and we believe that given proper federal support, these mass transit systems can continue to grow.

Much work, however, remains to be done. We must begin the orderly replacement of our aging bus fleet. We must encourage transit operators to upgrade their facilities to make them more attractive to the riding public. We must finance additional expansion of mass transit capacity in the form of additional buses, railcars, and rapid rail or light rail facilities. We must encourage transit operators to innovate-- to provide special services, to enegage in more effective marketing of their service, to actively engage in public discussion of local development plans to ensure their compatibility with the mass transit system. In short, we must encourage transit systems to become an active, innovative, force in the community as well as the provider of basic and necessary transportation services.

The legislation before us is designed, we believe, to aid in the achievement of these ends. First, the legislation authorizes a five-year $11.4 billion expenditure under the capital grant program. This represents a slowly, but steadily expanding monetary commitment for the construction of facilities and the purchase of equipment. The yearly dollar amounts are approximately $1 billion per year over and above what has been provided in the past three fiscal years. Yet this expansion of obligational authority is well within the bounds of

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reponsible fiscal policy. Indeed, the additional yearly expenditures will be necessary in order to alleviate the backlog of grant applications and to illustrate the nation's commitment to additional mass transportation facilities and services.

In addition, the legislation sets aside $500 million per year for the purpose of bus replacement. This is precisely the sort of provision that is needed to prioritize replacement of our aging bus fleet. Believing as we do, that clean, and comfortable equipment is the prerequisite to operating a successful mass transportation network, we are encouraged that a bus replacement program has been made part and parcel of the capital grants program.

The legislation also continues the formula distribution program that allows cities and states to utilize money for either capital or operating assistance. This key section of the mass transportation program must be continued. While operating deficits are nothing to applaud, we must be cognizant of the fact that raising fares to offset operating deficits is, in the long run, a counterproductive program. Fare increases more often than not start a downward cycle of reduced ridership, which in turn reduces revenues. Often the end result is that the operating deficits increase. So long as the cost of driving a car in the core sectors of our cities remains dramatically below what it should be, raising mass transit fares to cover all operating costs will be counterproductive. Only when automobile travel is priced at something approaching its true costs, can mass transit fares be priced to the rider at its actual costs. Then, the downward spiral traditionally resulting from increased transit fares can be broken.

Finally, the legislation contains a new discretionary fund of $250 million per year for the next five years to help maintain essential commuter rail service, and to alleviate any lingering financial impacts resulting from the start-up of the mass transit assistance program. While these funds are appropriate as special impact funds, we wish to caution the committee that continued expansion of the number of individual categorical grant programs under the mass transit act can have deleterious long run results. We would point to the federal highway program as an example. There, the large number of categorical grant programs has resulted in excessive rigidity in the federal program as an ever increasing number of assistance categories renders a rational examination of the highway programs purposes and effects difficult, if not impossible. Moneys given for special purpose have been continued long after the "special"nature of the program has disappeared. The far more rational method of distributing money to given governmental jurisdictions for a broad range of transportation programs, has been difficult to enact and implement because of the existance of the numerous grant categories. We therefore urge the committee to put the Department of Transportation

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and grant recipients on notice that this additional discretionary fund will be terminated when the special problems it is being enacted to solve are no longer in existance.

I should like at this juncture to turn to the very serious problems we are facing in the bus manufacturing industry and the dispute over the Transbus program. At the outset I would like to make it clear that we support the development of Transbus as the next generation of buses. We believe that the merits of the Transbus program, particularly as it concerns accessibility for the elderly and handicapped and the promotion of competition within the bus manufacturing industry, far outweigh the concerns that have been expressed regarding its economic viability. And we further believe that the Department of Transportation should be required to write performance standards that will result in the purchase of Transbus vehicles by our transit systems.

The dispute over the Transbus program, and the accessibility regulations that the Department of Transportation has been writing, and postponing, and rewriting, is not an isolated problem of short-range duration. Rather, we believe that the Transbus problem is merely a symptom of the highly concentrated corporate structure of bus manufacture. It is our contention that industry structure, in this instance, acts as a bar to the devlopment of efficient technologically advanced buses, and that until something is done to promote additional competition in the bus manufacturing industry, problems of the type that we are now facing with Transbus will continue to surface.

The bus manufacturing industry is one of the most concentrated oligopolies in the American economy. The three active firms, General Motors, AM General, and Rohr Corp. produce virtually all of the buses for domestic consumption. This three firm concentration ratio of 100 percent is not only excessive, but is complicated by a horizontal monopoly of critical component parts by General Motors. GM, which accounts for virtually all production of essential components of the power drive train of buses that all three manufacturers assemble is also the country's largest producer of the buses' competitor, the automobile. This common control of competing equipment manufacture raises serious questions as to whether GM is willing to produce equipment which will effectively compete with its automobile sales. We suggest that they are not willing to do this, and further, that a look at the history of bus manufacturing will confirm this.

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Classical theories of antitrust begin with the proposition that common control of competing industries is a hindrance to competition. The theory behind this presumption is that any firm will supress competitive activity affecting is more profitable sales. In the immediate instance, common control by GM of competing automobile and bus production could be expected to result in suppression of bus manufacture which would hurt automobile sales. This is the minimum expected result. More overt forms of deleterious corporate behavior, such as driving competitors from the market, or acquisition of all competitive manufacture can also be expected.

Both of these events have occurred. Beginning with the acquisition of Yellow Coach in 1925, General Motors sought to acquire, or drive off the market, any competition in bus manufacture. They have, in fact, been convicted of criminally conspiring with other interests to replace what once were elecrtically driven, pollution free, streetcar systems with markedly less superior GM buses. The active "motorization" of the nation's electric streetcar systems by GM inspired and controlled holding companies represents clear and convincing evidence that they are not interested in producing viable alternatives to the automobile. The fact that we have been left with mass transit systems composed largely of GM produced buses is clear evidence of the success of GM's motorization programs. But what was successful for General Motors has not been advantageous for the rest of the country.

It is necessary at this point for me to make a clear distinction between what GM intended to do, and the effect that has resulted. It has long been the contention of many antitrust economists that adverse effects inevitably result from excessively concentrated industry structures, whether or not the effects were actually intended. Since one bus can replace 35 automobiles, it is unlikely that any corporation primarily interested in selling automobiles can be expected to produce buses capable of replacing the automobile as a method of travel. Such activity would likely be economically suicidal for that firm. By merely following the economic dictates of the marketplace, GM used its position to insure its automotive profits would not be adversely effected by the production of buses. Whether we as a nation should have allowed this to happen is, at this point, a moot question. Whether we should allow this situation to exist in the future is not.

Congress has historically been opposed to common control of competing transportation entities by American corporations. On several occaisions it has passed legislation specifically prohibiting transportation entities from controlling

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competing modes of travel. Specifically the Panama Canal Act of 1912 prohibited common control of railroads and water carriers; the Motor Carrier Act of 1935 prohibited common control of railroads and motor carriers; the Civil Aeronautics Act of 1938 prohibited common control of surface and air transportation; and the Transportation Act of 1940 again affirmed Congressional policy by the reenactment of the Motor Carrier and Panama Canal Acts' prohibitions.

In fact, competition between mass transit and the automobile, and between intercity rail and motor carrier equipment production are the only two areas of transportation not covered by prohibitions against common control.

One of the stated goals of the Transbus program is the injection of competition into the bus manufacturing field. Components of the Rohr and AM General produced Transbus will for the first time in a long time be produced by firms other than GM. The introduction of competition into the industry by this one program alone, however, is not a panacea. Congress should undertake a broader effort in this area. Specifically we would recommend that legislation be enacted to provide loan guarantees to new entrants in the bus and railcar manufacturing industry. Such a program should be enacted whether or not the production of Transbus is mandated, for even three active competitors in the industry is not sufficient to introduce a level of competition that will result in agressive and ongoing technological improvement of our surface transportation equipment.

I should like to point out that the benefits of doing this are not theoretical. An examination of ground transportation equipment production in European countries and in Japan have shown the results of diversified and competitive manufacturing industries. In fact, if we look at manufacture in West Germany, France, and Japan, a precise parallel can be drawn. Together these three countries' population roughly equals that of the U.S. However, their mass transportation systems, including the highly developed intercity railroad passenger network, are technologically superior to ours. Overall efficiency of transport in these countries is far more effectively enhanced by a balanced and workable allocation of traffic between highway and rail modes -- a balance made possible by the efficient equipment used. In Paris and Tokyo, attractive technologically efficient equipment produces rates of ridership that are astronomical in comparison with any metropolitan area of the U.S. There, commuter ridership approaching 90 percent of the workforce is established while in New York, our most transit intensive city, it approaches 50 percent and in Los Angeles it accounts for less than 15 percent.

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In these countries competition within the relevant industries is enhanced by the large number of corporations involved. There are 26 builders of buses, 23 producers of rail transit cars, and 33 producers of locomotives. Although a few of these manufacturers are also producers of automobiles, none has anything approaching the solidified and dominant position enjoyed by G.M.

In summation, we believe that a prerequisite of efficient mass transport is an equipment industry capable, and willing, to produce the kind of equipment that will satisfy the transit patron. In combination with money to support the construction and operation of mass transit systems, we must seek to introduce the kind of competition in transportation equipment production that will insure the success of the overall program. Without such competition we will be in the unenviable position of funding technologically obsolecent transit systems. With such competition we can begin to fulfill the promise that energy conserving, non polluting mass transit, has always had.

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Mr. ARROW. We are in general agreement with the position that the Sierra Club has indicated there.

I'd like to turn to a very serious problem that we face in the bus manufacturing industry and the dispute over the transbus program. At the outset I would like to make it clear that we support the development of transbus as the next generation of buses. We beleive that the merits of the transbus program, particularly as it concerns accessibility for the elderly and handicapped and the promotion of competition within the bus manufacturing industry, far outweigh the concerns that have been expressed regarding its economic viability. And we further believe that the Department of Transportation should be required to write performance standards that will result in the purchase of transbus vehicles by our transit systems.

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Further, vertical integration by dominant firms inflates costs and stifles technological innovation. The combination in one firm of manufacturing activities previously performed by independent producers eliminates both price and technology competition in each of the integrated activities. Due to its fixed investment in existing plant and equipment, a vertically integrated firm is inherently reluctant to buy from other manufacturers anything which it already makes internally, even if outside costs are less. Likewise, integration encourages firms to disregard or suppress technological innovations whose introduction might render existing plants obsolete and prior investment worthless. In this way, an entire industry can become cost inflated, and locked in to the state of technology which prevailed when existing plant and equipment became operational.

General Motors, which accounts for virtually all production of essential components of the power drive train of buses that all three manufacturers assemble is also the country's largest producer of the buses' competitor, the automobile. This common control of competing equipment manufacture raises serious questions as to whether GM is willing to produce equipment which will effectively compete with its automobile sales. We suggest that they are not willing to do this, and further, that a look at the history of bus manufacturing will confirm this.

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Both of these events have occurred. Beginning with the acquisition of Yellow Coach in 1925, General Motors sought to acquire, or drive off the market, any competition in bus manufacture. They have, in fact, been convicted of criminally conspiring with other interests to replace what once were electrically driven, pollution-free, streetcar systems with markedly less superior GM buses.

In the instance of Los Angeles that you mentioned before, it is our contention backed by a study done under a grant from the Stern Fund; and printed by the Senate Subcommittee on Antitrust and Monopoly, that General Motors in combination with Standard Oil of California and Firestone created holding companies whose purpose in part was doing in Los Angeles—buy up the system, buy up the tracks, get rid of the electrically driven Pacific Railway, and replace it with the GM bus. The result is instead of having a transit system in place in Los Angeles which could be expanded through funds generated by the UMTA program, they must start from scratch, and in order to duplicate one-sixth of mileage of the old Pacific Electric would cost approximately $6 billion.

The active motorization of the Nation's electric streetcar systems by GM inspired and controlled holding companies represents clear and convincing evidence that they are not interested in producing viable alternatives to the automobile. The fact that we have been left with mass transit systems composed largely of GM produced buses is clear evidence of the success of GM's motorization programs. But what was successful for General Motors has not been advantageous for the rest of the country.

In 1965 the Antitrust Division of the Department of Justice filed a suit against GM for monopolization of the bus industry. The suit never went to court because a remedy was not available due to the fact that the production of bus equipment was being done on the same lines as the GM Truck Division. Rather than get into extensive litigation on this issue, the Department of Justice agreed to enter into a consent decree which provided that General Motors would make available to all competitors technology that they controlled at the price at which GM internally set for the product. The consent decree had a life of 10 years and could not be renewed unless one of two things happened: (*a*) Somebody else went out of bus manufacturing, which did not happen—AM General came in; or (*b*) there was a substantial increase in bus manufacturing capacity and sales without a new entry into the bus market.

The attorneys in the Antitrust Division at that time intended to file a suit against the entire automobile industry for reorganization, and

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at that time take care of the problems associated with bus and railroad manufacturing.

That second suit was never filed, and the "bus" consent decree has since run out. Only now has General Motors decided to put into production a bus that it had indicated was available as early as 1968, and whose technology it will not be required to share with others.

It's necessary at this point for me to make a clear distinction between what GM intended to do, and the effect that has resulted. It has long been the contention of many antitrust economists that adverse effects inevitably result from excessively concentrated industry structures, whether or not the effects were actually intended. Since 1 bus can replace 35 automobiles, it is unlikely that any corporation primarily interested in selling automobiles can be expected to produce buses capable of replacing the automobile as a method of travel. Such activity would likely be economically suicidal for that firm. By merely following the economic dictates of the marketplace, GM used its position to insure its automotive profits would not be adversely affected by the production of buses. Whether we as a nation should have allowed this to happen is, at this point, a moot question. Whether we should allow this situation to exist in the future is not.

Congress has historically been opposed to common control of competing transportation entities by American corporations. On several occasions it has passed legislation specifically prohibiting transportation entities from controlling competing modes of travel. Specifically, the Panama Canal Act of 1912 prohibited common control of railroads and water carriers; the Motor Carrier Act of 1935 prohibited common control of railroads and motor carriers; the Civil Aeronautics Act of 1938 prohibited common control of surface and air transportation; and the Transportation Act of 1940 again affirmed congressional policy by the reenactment of the Motor Carrier and Panama Canal Acts' prohibitions.

In fact, competition between mass transit and the automobile, and between intercity rail and motor carrier equipment production are the only two areas of transportation not covered by prohibitions against common control. In the last 2 years two pieces of legislation have been introduced that directly relate to this problem. Senator Kennedy introduced legislation which would force the divestiture from General Motors of bus and railroad manufacturing facilities and former Senator Phil Hart introduced legislation providing $3 billion in loan guarantees to new entrants into the bus assembly and the bus component related fields. We supported both pieces of legislation.

One of the stated goals of the transbus program is the injection of competition into the bus manufacturing field. Components of the Rohr and AM General produced transbus will for the first time in a long time be produced by firms other than GM. The introduction of competition into the industry by this one program alone, however, is not a panacea. Congress should undertake a broader effort in this area. Specifically, we would recommend that legislation be enacted to provide loan guarantees to new entrants in the bus and railcar manufacturing industry. Such a program should be enacted whether or not the production of transbus is mandated, for even three active competitors in the industry is not sufficient to introduce a level of com-

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petition that will result in aggressive and ongoing technological improvement of our surface transportation equipment.

I should like to point out that the benefits of doing this are not theoretical. An examination of ground transportation equipment production in European countries and in Japan have shown the results of diversified and competitive manufacturing industries. In fact, if we look at manufacture in West Germany, France, and Japan, a precise parallel can be drawn. Together these three countries' population roughly equals that of the United States. However, their mass transportation systems, including the highly developed intercity railroad passenger network, are technologically superior to ours. Overall efficiency of transport in these countries is far more effectively enhanced by a balanced and workable allocation of traffic between highway and rail modes—a balance made possible by the efficient equipment used. In Paris and Tokyo, attractive technologically efficient equipment produces rates of ridership that are astronomical in comparison with any metropolitan area of the United States. There, commuter ridership approaching 99 percent of the work force is established while in New York, our most transit intensive city, it approaches 50 percent and in Los Angeles it accounts for less than 15 percent.

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In summation, we believe that a prerequisite of efficient mass transport is an equipment industry capable, and willing, to produce the kind of equipment that will satisfy the transit patron. In combination with money to support the construction and operation of mass transit systems, we must seek to introduce the kind of competition in transportation equipment production that will insure the success of the overall program. Without such competition we will be in the unenviable position of funding technologically obsolescent transit ssytems. With such competition we can begin to fulfill the promise that energy conserving, nonpolluting mass transit, has always had.

Senator WILLIAMS. Thank you very much, Mr. Arrow. This addresses itself to one of the serious problems and that is the lack of production incentives evidently for the bus that we need in the transportation for everybody. The transbus, for example, has so many advantages and yet there's been great difficulty both in regulations in getting them and in manufacturers producing them. You have addressed yourself to a key problem that we face in making mass transportation real for all people and we are very grateful for that.

Thank you very much and thank you, Ms. Billings.

There will be a few minute recess and then we will return to our testimony.

[It was requested that the following information appear in the record at this point:]

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GENERAL MOTORS CORPORATION
1660 L STREET, N.W.
WASHINGTON, D.C. 20036

22 March 1977

Honorable John Sparkman
Chairman
Subcommittee on Housing & Urban Affairs
Room 5228
Dirksen Senate Office Building
Washington, D. C. 20510

Dear Mr. Chairman:

In hearings before your Subcommittee on February 23, 1977, Mr. Leonard Arrow from the staff of the Environmental Action, Inc. in Washington, D. C., presented testimony relative to S.208 ("National Mass Transportation Assistance Act of 1977"). In the course of his testimony, Mr. Arrow made numerous erroneous and questionable references to General Motors bus manufacturing and marketing activities.

To begin with, it is apparent Mr. Arrow is not an authority on transit bus manufacturing and equipment marketing fields. His various references to the bus transit market lack credibility when you consider that the transit bus market presently consists of approximately 4,800 sales a year -- a very small market by any standard -- which last year was almost evenly divided by all manufacturers. That there are three companies engaged in the manufacturing and sale of transit buses, given this very limited market potential, is really a tribute to the companies competing for the business -- and, as such, hardly constitutes "the most concentrated oligopolies in the American economy" as Mr. Arrow stated.

In addition to lacking a basic understanding of the transit bus field, Mr. Arrow is even less knowledgeable in the componentry segment. The use of GM diesel

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engines and drive trains in most of the transit buses sold in this country is purely and simply a matter of preference on the part of the manufacturers and transit authorities involved There are other manufacturers of diesel engines and power trains that are suitable for transit buses Other manufacturers are also the sole source for several critical components other than engine and drive train Transit industry managers will overwhelmingly attest to the fact however, that GM engines and drive trains excell in performance and maintainability -- and for that reason are the preferred choice.

Perhaps the most flagrant, unsupportable and illogical charge Mr Arrow makes in his statement is that GM seeks to "control" the bus market so as to limit bus sales in order to stimulate greater auto sales. It is our view -- so stated on many occasions that mass transit usage, no matter how great, has little impact on auto sales if customer choice is not hampered by artificial government controls and regulations Mass transit and auto mobility are complementary all things being equal. Furthermore, over the years GM has undertaken numerous research projects aimed at encouraging not only the development of related bus transit facilities and equipment, but also the increased use of such services. We have for instance long advocated the development of exclusive bus lanes such as the successful Shirley Highway facility in Virginia which serves Washington, D C. We called it "Metro-Mobility." We also participated in a program in Rochester New York, several years ago designed to provide improved assistance to bus passengers through the use of new electronic origin and destination signs. Presently, GM's Transportation Systems Division has a series of mass transit activities underway at its Cincinnati Urban Transportation Laboratory. Included in these are various demonstration projects relating to the elderly and the handicapped. More information on the Cincinnati laboratory activities can be supplied should you desire it.

On several occasions General Motors officials have testified before appropriate committees of Congress outlining our strong support for mass transit

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development and the federal-aid mass transit program. One such comprehensive statement was presented to the Subcommittee on Housing of the House Committee on Banking and Currency on March 11, 1970. A second, by the same corporate executive was presented to the Subcommittee on Transportation of the Senate Committee on Public Works on March 29, 1974.

More specifically related to S.208, another executive of General Motors, Mr. Robert W. Truxell, Vice President and General Manager of the GMC Truck and Coach Division, on two occasions presented testimony buttressing our interest and involvement in, and support of matters relating to the elderly and the handicapped. The first was on May 5, 1976 at a public hearing held by the Urban Mass Transportation Administration of the U. S. Department of Transportation He testified a second time on the same subject on June 2, 1976 before the Subcommittee on Surface Transportation of the House Public Works and Transportation Committee A copy of each of these four statements is attached. These statements tell the true GM story -- one that the nation s transit authorities and operators are well acquainted with.

In addition, I have enclosed a copy of a GM report entitled "The Truth About American Ground Transportation -- A Reply By General Motors", dated April 7, 1974. This report is a rebuttal to a 1974 paper entitled "American Ground Transport", written by a Bradford C Snell and submitted to the Senate Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary The Snell report is clearly the prime source on which Mr Leonard Arrow drew most, if not all of his erroneous charges. As absurb as they are, we nevertheless view them seriously In the interest of equity and fair play, therefore, we respectfully request that all of the attached documents be included in your hearing record so that the general public has the full story. We especially would appreciate having these documents printed in your record immediately following Mr. Arrow's statement. It is further respectfully requested that this letter also be included.

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If there are any questions regarding this matter, I will be pleased to respond.

Sincerely,

Roland A. Ouellette
Director
Transportation Affairs
Industry-Government Relations

Attachments:

1. March 11, 1970 GM statement to the Subcommittee on Housing, House Committee on Banking and Currency
2. March 29, 1970 GM statement to the Subcommittee on Transportation, Senate Committee on Public Works
3. May 5, 1976 statement by Robert W. Truxell, GMC Truck & Coach, to the Urban Mass Transportation Administration
4. June 2, 1976 statement by Robert W. Truxell, GMC Truck & Coach, before the Subcommittee on Surface Transportation, House Public Works and Transportation Committee
5. April 7, 1974 GM report entitled "The Truth About American Ground Transportation -- A Reply By General Motors"

cc: Senator Edward Brooke

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STATEMENT OF OSCAR A. LUNDIN, VICE PRESIDENT, FINANCIAL STAFF, GENERAL MOTORS CORP. TO THE SUBCOMMITTEE ON HOUSING OF THE HOUSE COMMITTEE ON BANKING AND CURRENCY, MARCH 11, 1970

Good morning, Mr. Chairman, and Members of the Housing Subcommittee of the House Banking and Currency Committee. My name is Oscar A. Lundin. I am vice president in charge of the Financial Staff of General Motors Corporation. With me is William M. Spreitzer, who is in charge of the General Motors Transportation Research Department.

We are here today to express our support for S. 3154 and H.R. 16261, the Urban Mass Transportation Assistance legislation which would provide long-term federal financing assistance to local communities for expanded urban mass transportation. We believe there clearly is a need for this larger federal government role. The transportation needs and desires of our citizens have exceeded the funds thus far available.

Public transportation is facing difficult challenges today all over this country. Transit operators—both public and private—are caught in a two-way financial squeeze:

On one side, they are being hampered by rising operating costs, a deficiency of competent personnel and lack of funds to provide equipment which is operative and adequately maintained.

On the other side, transit patronage has been declining steadily. In 1968, according to American Transit Association data, the number of transit revenue passengers dropped to 6.5 billion, compared to 13.8 billion in 1950. This decline has been evident in both rail and bus transit patronage.

The decline in the quality and frequency of public transportation service has burdened many groups who are unable to use or cannot afford private transportation—particularly the young and the elderly, the physically handicapped and the poor among our inner-city residents.

The legislation recognizes the needs of such groups and takes into account the fact that fare box revenues alone have not supported—and cannot be expected to support—an adequate urban transportation system.

This legislation also recognizes that the need for improved urban transportation is not limited to a few very large cities. All cities would be eligible to participate, and we understand that the 233 urban areas with populations of 50,000 or more have already instituted the comprehensive and continuing planning process contemplated by previous federal legislation.

The provisions for financial assistance in both bills are a necessity for achieving viable urban transit systems. The legislation would achieve two important objectives: First, it would enlarge the total amount of federal financial assistance; and, second, it would provide local communities guarantees of assistance which are long-term in nature.

Currently, under the 1964 Act, urban areas wishing to improve their services have been limited in obtaining their required one-third share of total project costs in part because there has been no assurance that the supplementing funds from the federal government would be available over the longer term. The legislation currently before this Subcommittee provides the assurance of federal long-term funding required to complete projects once undertaken. Without this, progress in mass transit development would continue to be restricted.

In our opinion, this legislation has the ingredients necessary to do the job. It recognizes (1) the partnership principle that has worked well in other federal-state-local programs, (2) local judgment and control as to the transportation needs of the community, and, (3) most importantly, the principle of long-term commitment.

The needs of the cities are both short-term and long-term in nature. Both are contemplated in the legislation.

As to the short-term, a significant part of today's problem is the aging equipment being used by many local bus and rail transit systems. In some areas, for lack of funds, replacement of obsolete equipment has been impossible, and equipment has been idled for extended periods by repair or major maintenance needs. It is hardly surprising, therefore, that public transit riders have complained about deteriorating service and have sought alternate solutions to their transportation needs. Thus, it appears that with new or overhauled equipment, accompanied by better service, substantial improvement could be achieved on a fairly quick basis.

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Equipment is only one area in which short-term improvements in public transportation could be achieved. The quality of the service would also be improved by greater availability of fringe park-and-ride facilities, increased numbers of passenger shelters, two-way radios in the buses and computerized ticketing techniques now being employed in some rail and air passenger service. Traffic control systems designed to expedite bus transit, exclusive bus lanes and better communication with the public would also contribute to improved service.

We are convinced of the value of these approaches to the short-term improvement of public transportation systems. At the same time, we are well aware of the contributions which will flow over the longer term out of the comprehensive transportation planning process provided for in the 1964 Act and now to be continued and expanded if this new legislation is passed.

For example, sound system-wide urban transportation development requires that continuous study be given to questions relating to the factors which influence the choice users make or will make among various transportation modes. Would the services and equipment proposed for a specific community with its individual characteristics and requirements provide an efficient and coordinated mass transit system for the longer term? Or is it a short-term solution which should be considered in the light of future requirements? It is clear that the answers to such questions will change as the technology of urban transportation progresses. Provisions in the legislation for continuous study are, therefore, especially important.

Also, in long-term planning, account must be taken of latent demand—that is, the additional demand that experience has shown we can expect when a new service or facility becomes available for use.

As you may readily understand, we feel particularly close to the many aspects of private and public transportation. We are in the transportation business and are closely involved in transportation of all types. In addition to cars and trucks, we make buses, rail locomotives and are suppliers to the aircraft industry. Because we have worked in these areas for many years, we have acquired some understanding of mass transportation.

Through the years we have maintained the view that each of the various modes of transportation is complementary to the others. While the exact mix will vary from one city to another, effective use of each is essential to a sound and progressive system of transportation.

We recognize that the field of transportation holds out great opportunity for innovative change, both short- and long-term. In the interest of accelerating such change, our General Motors Transportation Research Department seeks to identify transportation problems and find solutions.

One example of the comprehensive character of our Transportation Research Department's work is the "New Systems Implementation Study" performed under a contract for the U.S. Department of Housing and Urban Development during 1967 and 1968. The study considered technical and economic feasibility, as well as the social and personal considerations, of several possible future transportation systems.

One of the concepts included in that study and on which we have been continuing to do research work is a new approach to rapid transit—a concept which General Motors identifies as "Metro-Mode." It offers both high-speed and convenience.

Buses would operate on public streets in downtown or outlying areas to pick up passengers, then enter an exclusive lane to travel at high rates of speed for the longer distance segment of a trip. The buses would then exit and carry the passengers to destination points. It could provide passenger carrying capacity which exceeds the anticipated future requirements of most travel corridors in American cities. This concept has been favorably recognized by government authorities in a number of cities, and its feasibility is being evaluated.

Other concepts we have been exploring include various rail and bus systems and combinations of both.

General Motors has been a producer of buses since the early 1920's, and our GMC Truck & Coach Division has developed new equipment concepts that would fit into some of these research approaches or would be available to upgrade existing transit coaches. These advanced designs have been demonstrated to Department of Transportation officials and Members of Congress.

One such coach, the RTX—Rapid Transit Experimental—could be readily adapted to the Metro-Mode approach. The coach encompasses designs that meet

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decline in highway user revenues which is already adversely affecting the program. How equitable would it be to the highway user—particularly truckers—who pay special highway taxes that would be used for mass transit purposes? After all, the highway trust fund was created for a specific purpose and it is an acknowledged fact that the fund is hard pressed to meet even these obligations—let alone new responsibilities. Also, does UTAP contemplate completion of the Interstate System—and is there to be any highway program on a national scale after 1977 when, under the UTAP proposal, the trust fund would expire? After the fund terminates, are highway users to continue paying those special taxes which went into the trust fund? Left out entirely from the UTAP proposal is the urgent need to do a great deal more in improving highway safety. Here again, the trust fund has only begun to scratch the surface. Much more needs to be done, for example, in removing existing roadside hazards and in dealing with the problem of those who drink and drive. As you know, 50 percent of all highway deaths are alcohol related. And there are many other highway safety considerations among the 18 standards that the states must implement under the Highway Safety Act of 1966.

These are some of the important issues we are reviewing as they relate to the UTAP proposal. In doing so, we are trying to take an objective look at the long-range highway needs as well as the future requirements of mass transit. The Department of Transportation Needs Study of 1972 showed that total financial needs for highways over the next 20 years could be as high as $600 billion just to improve and upgrade present highway systems to meet minimum safety and performance standards. (For mass transit, the study estimates that around $63 billion will be needed.) Yet, in this same 20-year period, only a little more than half of the $600 billion needed for highways is estimated to become available through all highway-generated sources. Even this lesser amount may not be reached if future travel and fuel consumption fall short of projections. In facing these challenges we feel there would be general agreement that our highway system should not be allowed to deteriorate.

Turning now to what we in GM are doing as a manufacturer of transit vehicles and equipment, we are concentrating on a variety of new approaches suited to urban areas. Just recently, General Motors created an entirely new operating division—the Transportation Systems Division—to take on this assignment. This division will coordinate, intensify and enlarge GM's activities in urban and public mass transit systems. It will enable us to employ the full resources of General Motors toward participation in the overall transportation needs of the United States, and to prepare ourselves to meet the emerging demands in other countries.

At the moment, this new division is completing the first phase of a U.S. Department of Transportation research project centering on the Dual-Mode concept. Dual-Mode involves the use of a small bus-like vehicle that is capable of being operated by a driver over regular roads as well as automatically over special guideways.

GM is also engaged in a project in Rochester, New York, designed to test the grouping of buses through the downtown area. Special electronic signing at stops assists passengers.

Beginning in late 1975, we will begin manufacturing a new production bus, called the RTS, which will incorporate many new and forward looking features. In addition, we are participating in the experimental Transbus program for the U.S. Department of Transportation. The first of three such buses contracted for was delivered to the Department during the latter part of February. It represents the latest word in bus technology and is powered by a gas turbine engine.

In Transpo '72, we exhibited an engineering technique known as modular-mobility in which a family of mass transit vehicles, from people mover to rail commuter car, can use a uniform modular constructon technque. The RTS bus will employ this feature.

With the new GM Transportation Systems Division now in existence, we hope to break new ground in the field of mass transit systems and technology, whenever and wherever the opportunity presents itself.

Thus, General Motors is committeed to strengthening and improving mass transit nationwide, both in concept and as a provider of mass transit products and services. We are also confident that there is general agreement that the nation's highways must continue to be a strong and vital part of the nation's transportation system.

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In developing the mix of transportation best suited to the needs of any urban area, financing is a matter that must be given primary consideration. In this regard, I represented General Motors before the U.S. House of Representatives' Subcommittee on Housing during its consideration of the Urban Mass Transportation Assistance Act of 1970 to testify in support of that bill. In our opinion, this Act, which substantially increased federal long-term financial assistance to cities, together with certain changes subsequently made in the Federal-Aid Highway Act, represented the necessary framework for coping with today's urban mobility needs.

Let me briefly summarize our support of the 1970 Assistance Act:

1. Public transit is essential not only for commuter peak hour service but also for those who do not have or want private transportation, as well as for the disadvantaged, the aged, the young and the handicapped. In some large urban-areas, it is, in fact, the primary circulatory system.

2. As to its urban classification, mass transit should be viewed as a public service activity—similar to other publicly-supported services. In this context, it should be supported by all taxpayers and not by any particular group of taxpayers.

3. In general, we acknowledged that fare box revenues alone cannot provide sufficient funding to support transit systems. I might add here that this point was underscored with the recent statement that the newly-opened San Francisco BART System would have to close down unless state operating subsidies were provided.

4. Furthermore, to deal effectively with transit problems, there is need for a smooth working relationship between federal, state and local governments. It takes all three functioning cooperatively to get the job done.

5. Finally, we believe the federal role should revolve around capital grants for equipment and facilities—and reasonable funding for needed planning and research and development. On the other hand, state and local governments or appropriate transit authorities should be responsible for operating urban transit systems and, where necessary, for subsidizing deficit operations.

In addition to our support of the 1970 Assistance Act which provided $3.1 billion in federal grants from the general treasury, we also supported a provision in the "Federal-Aid Highway Act of 1973" which increased this amount to $6.1 billion.

Moreover, GM also supported the use of highway trust funds for certain highway mass transit facilities including reserved bus lanes, special roadways, passenger shelters and loading platforms, and automobile parking areas. We also support the use of highway funds for research and development on new, advanced transit technology. These federal highway-generated funds, however, should not be used for the purchase of transit rolling stock as funds for this purpose are available from the general treasury under the Urban Mass Transit Act. Nor does we believe that federal funds should be used for transit operating subsidies. These should be obtained at state and local levels.

We view the overall urban military situation not as one that places highways against mass transit—both have a proper place and role in today's life-style. Because we are convinced of this, we are committed to programs aimed at improving public mass transit.

Mass transit especially is in need of upgrading today. As a result of neglect both by its customers and by governments, its equipment has not been adequately maintained or upgraded to meet modern day needs and the quality and frequency of its service has deteriorated. In spite of recent efforts by all levels of government to resolve these issues, much remains to be done.

As for the highway situation, considerable emphasis has been placed at the federal level on the construction of the Interstate System since 1956. Meanwhile, the nation's primary and secondary systems have deteriorated to the point where it is apparent that a substantial effort is needed to upgrade their safety and efficiency levels. For example, the National Safety Council estimates the accident fatality rate in 1972 on the Interstate System to be about 2.5 per 100 million vehicle-miles compared to 4.5 for all roads and 6.4 on rural roads.

We, as are many others, are reviewing the recent Administration proposal for a Unified Transportation Assistance Program. Various aspects of the proposal may have merit but it raises a number of immediate questions. For example, what impact would it have on the existing highway program given the current

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decline in highway user revenues which is already adversely affecting the program. How equitable would it be to the highway user—particularly truckers—who pay special highway taxes that would be used for mass transit purposes? After all, the highway trust fund was created for a specific purpose and it is an acknowledged fact that the fund is hard pressed to meet even these obligations—let alone new responsibilities. Also, does UTAP contemplate completion of the Interstate System—and is there to be any highway program on a national scale after 1977 when, under the UTAP proposal, the trust fund would expire? After the fund terminates, are highway users to continue paying those special taxes which went into the trust fund? Left out entirely from the UTAP proposal is the urgent need to do a great deal more in improving highway safety. Here again, the trust fund has only begun to scratch the surface. Much more needs to be done, for example, in removing existing roadside hazards and in dealing with the problem of those who drink and drive. As you know, 50 percent of all highway deaths are alcohol related. And there are many other highway safety considerations among the 18 standards that the states must implement under the Highway Safety Act of 1966.

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Now let me comment on the current fuel situation. We are convinced that at this time conservation measures, such as maximum speed limitations, good driving practices and car pooling can have a dramatic impact in saving fuel. That is why we have furnished our dealers and customers with brochures on ways to save fuel and initiated a corporated program to encourage our employes to form car pools no matter what job position they hold.

Looking ahead, as you know we have taken prompt action to adjust automobile output to deal with the abrupt shift in customer preference to more compact and subcompact vehicles. We are accelerating our programs to improve fuel economy on all cars—in fact, this is being done in the middle of a production model run.

We are confident, however, that the customer's change needs will be met. We are also confident that, with continued good driving practices and the lifting of the oil embargo, the current fuel shortage will be managed and that the economy, and the auto industry in particular, will rebound to more normal levels.

In conclusion, Mr. Chairman, I hope we have made our interest in mass transit clear today. We thought we had publicly clarified this at least as long as four years ago during the Congressional hearings I referred to earlier. However, from time to time we still hear charges that GM is opposed to mass transit. Let me once again try to dispel this false idea.

For example, charges have been made recently that General Motors was responsible for destroying the street railway and inter-urban transit systems around the country. This is not true. The charges are refuted by facts which are common knowledge within the transit industry.

Street railways began to be abandoned over fifty years ago for a number of reasons—none of them resulting from action by GM. For one, these systems could not be economically extended to meet the transportation needs of people in expanding metropolitan regions. They could only move people over fixed routes that could not be readily adapted to shifts in demand that normally occur in any growing and changing city. Under these circumstances, patronage consistently declined, year after year, until the financial problems facing these systems became overwhelming and, in most cases, insoluble under the existing conditions.

The charge that GM destroyed all-electric locomotive transportation is also wrong. It is a known fact that all-electric locomotives were never used in the United States except in a few very high traffic areas that could financially justify the high cost for related equipment and power stations.

When General Motors developed the diesel locomotive, the result was to provide a means of replacing the much less efficient steam locomotive. This actually revitalized the railroads of the United States at a time when, for many of them, this was desperately needed. We believe railroadmen recognize the contribution that General Motors has made to the railroads of the country.

Furthermore, General Motors did not use traffic reciprocity to sell locomotives. We have always had a firm business policy against selling any of our products other than on their merits.

These and similar charges are as unfounded as the ludicrous assertion also made recently that GM helped the Nazi war machine prosper. It amazes us that, after so many years, we have had to remind anyone that the Nazi government took over our Opel plant before the war. GM had no voice in its management nor did we derive any benefits thereafter. When we got the plant back after the war, it was rubble.

But back to the point. We believe the facts make it clear the decline in fixed rail passenger transportation has been largely due to the personal preferences of the people. They are choosing the speed of the airplane for long trips, and the personal comfort, convenience, and efficiency of the automobile for short trips. We see no evidence to support a need to restrict the freedom of mobility that the public now enjoys. We do not believe restrictions of this freedom would be welcomed by most people.

As I have pointed out throughout this statement, we do recognize the urgent need to also provide the alternative of better public transportation in most areas of the nation. And as I have also pointed out, we at General Motors view our company as being in the transportation business. We are ready, willing, and able to continue, on a competitive basis, to help develop the advanced technology and to provide the improved vehicles needed by private and public transportation alike.

That concludes my statement. I will be pleased to answer your questions.

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STATEMENT OF ROBERT W. TRUXELL, VICE PRESIDENT AND GENERAL MANAGER, GMC TRUCK & COACH DIVISION, GENERAL MOTORS CORP., BEFORE DEPARTMENT OF TRANSPORTATION, URBAN MASS TRANSIT ADMINISTRATION, MAY 5, 1976

Mr. Patricelli, and other members of the Urban Mass Transportation Administration, my name is Robert W. Truxell. I am vice president and general manager of the GMC Truck & Coach Division of General Motors. With me today is Edward R. Stokel, our division's director of public transportation. We welcome the opportunity to participate in this discussion on the future design of transit buses.

Our statement will respond to questions and issues raised in the Federal Register notice of April 14 announcing the scheduling of this meeting.

As we will expand upon comments submitted by General Motors on February 3, 1976, in response to the Administration's draft policy on grants for the acquisition of transit buses, we request that a copy of our February 3 letter and attachment be included in the record of this hearing.

While today's hearing involves subjects that are largely technical in nature, we recognize that they have been raised out of concern for improving the mobility of elderly and handicapped persons, and our comments recognize this concern.

Let me state at the outset that the record of General Motors' efforts to improve transit bus design reflects serious thought regarding the elderly and handicapped. These efforts pre-date the enactment of statutory requirements to assure that mass transportation is available to these persons. They also include a number of developments—largely experimental in nature—which have become the basis for regulations now under consideration.

Take, for example, the matter of wheelchair access. We have assisted in retrofitting our buses with ramps or lifts since 1955. The experimental RTX transit bus, which we developed on our own and displayed first in 1968, incorporated many demonstration features which were later included in the specifications for Transbus—the federally-funded program to evaluate bus accessibility and other features for the elderly and handicapped. Anti-skid floors, smooth shifting transmissions and bright stair illumination are only three of several standard features on GM buses today that benefit especially the elderly and handicapped. Later this year we will begin producing the RTS—the first completely new U.S. transit bus in nearly two decades. In concept and detail, the RTS is passenger-oriented throughout.

In addition, we are actively pursuing the development of alternative transportation concepts offering more personalized public transportation service. By providing vehicles and service designed expressly to meet the needs of all segments of the population, including the elderly and handicapped, such service holds great promise of becoming an integral part of any balanced transportation system serving an entire urban area.

We are proud of our past record and look forward to continuing our efforts to provide improved public transportation for everyone.

TRANSBUS SPECIFICATIONS

The question has been raised whether the Administration should either mandate or encourage the use of the Transbus specifications after a certain date.

General Motors Truck & Coach Division has been an active participant in the Transbus experimental design program from the start. We believe such demonstration projects can provide valuable guidance for future designs. However, we strongly oppose mandating specifications for a single bus design. Rigid specifications, mandated by the federal government, would effectively ban all other bus designs, and could delay the availability of vastly improved buses for years.

As a matter of both general principle and practical engineering sense, I would like to express our firm belief that mandating specific fixed design or engineering features should be scrupulously avoided wherever possible. Much more can be done to improve public transportation by developing functional performance specifications for future bus design. Standards which specify that a particular design be used by all manufacturers discourages creative effort with the result of perpetuating concepts that otherwise may have been rendered obsolete through the vigorous discipline of competition.

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In our view, the public will be served by better buses sooner by permitting each competing manufacturer to continue to work independently of, as well as within, the design concepts of the Transbus program. Free competition among bus manufacturers promises to produce a greater diversity of approaches by providing more opportunity for innovation, than does the freezing of all manufacturers to a single government-approved design.

Moreover, a government-mandated bus may ultimately prove impractical to produce, purchase or operate. The Transbus design concept and specifications are untried, in our judgment. Therefore, in the present state of the art, they do not provide a sound basis for promulgating mandatory design specifications. Many of the components built into the three Transbus prototype vehicles delivered by General Motors and other manufacturers are still experimental. They have not been adequately tested nor are they available as reliable, safe production items. For example, the tire and wheel configuration which is necessary to support the loads required of Transbus has not been adequately tested nor proven. The same is true for the braking and suspension systems.

BUS FLOOR HEIGHT

Among the specific Transbus features in question, the matter of bus floor height seems to be the most controversial. It is certainly the most critical because it involves the basic structural and mechanical design of the bus, and will have a substantial effect on costs, but operating capabilities and on other aspects of bus design, such as seating, suspension, tires and drive and brake systems.

A specific question that has been raised by the Administration is whether a floor height should be specified, and if so, at what level.

As previously indicated, we are opposed to any mandatory requirements that would impose rigid, uniform design standards for transit buses. By their nature, design standards for buses, such as an arbitrary limitation on floor height, eliminate design competition among manufacturers and thus, in effect, curtail further design innovation. Moreover, such standards generally have limited objectives which can conflict with other goals that are equally important in business design and the operation of bus transit systems. The Urban Mass Transportation Act recognizes this by reserving to local communities the right to exercise their own initiative and freedom of choice in planning and selecting the transportation equipment they believe best meets their needs.

The controversy over floor height lies entirely in practical trade-offs. It is a matter of balancing marginal improvements in bus access against such penalties as higher costs, reduced bus seating capacity and a potential reduction in the ability to provide low cost service where it is needed under all operating conditions.

The single matter of floor height for city transit buses must be viewed as only one consideration in the far broader issue of improving mobility for everyone. In fact, the purpose of the Act under which we are meeting today is to promote the ability of all citizens to move quickly and at reasonable cost.

Clearly, there would be virtually no controversy over the height of a bus floor if there were essentially no difference in height between the bus floor and adjacent bus stops. To achieve this relationship requires close coordination between the design of the vehicle and the matching platform, as, for example, in the case of fixed-route transit systems operating on separate rights-of-way. Unlike such systems, transit buses operate on a wide range of city streets over which the vehicle manufacturers have no design control, and where boarding areas can range from ground level to 12 inches or more in height.

Realistically, any height difference will present some difficulty in negotiating in a wheelchair, and any vehicle step configuration—even a maximum 8 inch step—may be difficult for some elderly or handicapped persons to use. Additionally, research conducted by the American Public Transit Association, and reported to the Highway Research Board in 1974, indicates that a variety of factors other than the vehicle may be more of a deterrent to the use of bus transit by those confined to wheelchairs than bus floor height or other bus design considerations.

If we can accept these observations, perhaps it will be easier to view the matter of bus access, as it should be, in conjunction with other factors that need to be taken into account if mobility for everyone is to be improved.

The problem, as we see it, is to minimize, where feasible, the difficulties that any passenger may experience in boarding or leaving a bus and to do so while maintaining other desirable qualities offered by today's buses.

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EVALUATION OF LOW FLOOR BUSES

GMC Truck & Coach began experimenting with a low floor bus design in 1966 which led to the development of the RTX. We followed this with the design and construction of three low floor buses for evaluation under the Transbus project. While GMC was an early advocate of the low floor concept, careful evaluation of these experimental vehicles, by others as well as ourselves, clearly indicated to us that such designs would fall far short of meeting transit requirements in the real world.

Both the transit industry and the government have benefited from the experience gained in the Transbus project. However, it would be shortsighted indeed to ignore the problems it has exposed with respect to a low floor design. Among the problems created by a substantial reduction of floor height—in the neighborhood of, say, 12 inches from the current 34 inches—are (1) reduced operating capability, (2) higher purchase price, (3) higher operating costs and (4) reduced seat capacity. Each can affect the quality of transit service offered to the public.

Reduced operating capability

A lower bus floor can lower the underbody clearance. Thus, compared to a current bus configuration, a bus with a low floor could be less capable of negotiating ramps and the approaches to hills in some parts of the country.

Higher purchase price

A low bus floor requires that extensive changes be made in the vehicle's drive and suspension system. Tandem rear axles, both of which must be driving axles to maintain traction, and wheels and tires of smaller diameter are needed. The suspension system becomes more complex. Also, additional brake components of entirely new design with greater capacity are needed. The increased cost per bus for this equipment alone will be substantial. Based on our experience with the GMC Transbus, which has a floor height of 24 inches, we estimate the additional price of the bus over a comparable one of current design, would be in the neighborhood of $20–30,000. Much of this added cost is attributable to the more complex running gear and bus structure.

Higher operating costs

A low floor bus will result in higher operating costs. Fuel consumption alone would increase significantly due primarily to the tandem axle drive and added vehicle weight of about 3,000 pounds. We estimate, for example, that if all current transit buses in the U.S. were replaced with the GMC Transbus configuration, approximately 40 million additional gallons of fuel would be consumed annually at a cost of about $12 million per year.

In addition, maintenance costs are expected to increase due, in part, to the greater number and complexity of mechanical components. Also, reduced front and rear clearance can be expected to result in more damage from chuck holes and other irregularities in the road, thus increasing repair costs.

Fewer seats

A low floor restricts the number of seats that can be installed in a bus. This occurs because the wheelhouses required for the third axle reduce floorspace otherwise available. Even after making necessary changes in the structure and mechanical components of the bus to maximize seating capacity, the number of seats is reduced on the order of 10–20% from the number available on current buses.

Effect on passenger service

As fewer seats per bus, higher costs and the prospect of reduced service flexibility are inevitably part of the price to be paid for an arbitrarily lower bus floor, we seriously question whether the mobility of all those who rely on bus transit—especially the elderly and the handicapped—will actually improve.

In other words, a low floor may make it somewhat easier to board a bus from some loading areas but a lower bus floor also means that substantially fewer bus seats can be installed and that more passengers, including those who are handicapped or elderly, will be forced to stand. Where a low floor results in fewer city routes that can be serviced satisfactorily at all times, many riders may find it more difficult and time-consuming to get to and from a bus stop. Low floor buses will cost more to purchase, which means fewer new buses may be put into service, and the retention of older buses of current design. Low floor

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buses also entail higher operating and maintenance costs which means that higher fares may be needed to cover these additional expenses.

These are some of the foreseeable consequences of operating buses built to meet an arbitrary low floor design. If these potential consequences become reality, mobility for all—especially the elderly and handicapped—will have deteriorated, not improved.

DOOR WIDTH

The next subject we will comment on is door width. Theoretically, it would seem that the wider the doors the better, simply to allow passengers to enter and leave the bus as quickly as possible. There are other considerations, however, that need to be taken into account in establishing the width of front doors for transit buses through which passengers enter and pay their fares.

Based on our knowledge of bus transit operations, it is desirable that passengers enter the bus one at a time, single file. This was confirmed by a survey we conducted last year among 52 of the nation's largest transit operators. 45 responded in favor of a door that would permit only single file entry to the bus. Single file entry enables the bus driver to maintain surveillance of boarding passengers, to answer questions and provide directions and to be certain that each passenger pays the proper fare. Controlling the width of the front door to an opening of approximately 28 inches is an effective way of assuring that passengers board one at a time.

Transit buses are unique in this respect. Other public transportation systems rely on additional people to accept fares, or turnstiles are used. In either case, at some point, passengers are confined to a single line for paying fares and entering the system. For transit buses operating on city streets, this is accomplished at the entrance to the bus.

A wide front door not only invites the possibility that some passengers will circumvent the fare box, but also encourages excessive crowding, especially during periods of peak demand. We do not believe that passengers in general, and the elderly and handicapped in particular, should be subjected to these crowding conditions on a bus.

From the technical standpoint, a wide front entrance door results in a longer front overhang on the bus ahead of the front wheels. A longer overhang decreases the approach angle, which increases the potential for damaging the front of the bus on ramps and irregularities in the roadway.

There are problems with respect to providing a wide entrance door for wheelchair passengers that would indicate consideration should be given to whether these passengers can be most satisfactorily accommodated by using a wide exit door—something in the range of 36 to 45 inches. Using this door for wheelchair passengers offers the advantage that, once aboard, the wheelchair can be positioned in ample space directly opposite the door.

STEP HEIGHTS

We understand it to be the intention of the Administration to limit the height of the risers on front steps of transit buses to a maximum of 8 inches, and the first step from ground level to a maximum 14 inch height.

If such a regulation is to be issued, we would find it acceptable provided a smaller tire, which we currently are testing, proves to be satisfactory. Even without the smaller tire we could meet the 8-inch riser requirement with a first step from ground level of 16½ inches. This could be further reduced to 11½ inches through use of our kneeling system.

Rear exit steps are another matter. However, the Transbus requirement, for the first step down from the level of the floor to be no more than 9½ inches, can be met. A second step of 9½ inches will then allow a step to road level of 15 inches which also meets the Transbus requirement.

In our judgment 8-inch risers at the rear exit are not essential when stepping down from the bus. Furthermore it is not yet technically feasible for us to provide the 8-inch risers along with a final 14-inch step to road level at the rear. This is because of the clearance required between the bus body and the mechanical drive and suspension systems which are located in the area of the rear exit steps.

Here again the kneeling feature could be used to further reduce the 15-inch step to 12 inches.

With these provisions in mind, we recommend that step requirements become effective 12 months after publication of the rule.

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WHEELCHAIR ACCESS OPTIONS

There are a number of methods that can be used to provide wheelchair access to buses. GMC has assisted transit operators over the past 20 years in obtaining both ramps and hydraulic lifts from independent suppliers. We are prepared to continue furnishing such assistance when requested.

We understand it is the intention of the Administration to require the manufacturers of all new designed buses to offer a wheelchair access package as an option. If such a requirement is made, we recommend the effective date for availability of this option be no sooner than 14 months after publication of the regulation. This will allow the necessary lead time to design and properly evaluate this type of equipment.

Because of the variety of buses and door configurations now in existence, retrofitting buses with wheelchair access equipment is a job best suited to independent or job shop fabricators rather than the bus manufacturers' production line facilities.

To summarize our comments to this point, we strongly recommend that the Administration not mandate design specifications for future buses purchased with the use of federal funds, especially with respect to floor height. While admittedly, a low floor bus would represent some improvement in accessibility, the improvement would be marginal at best, when weighed against the problems it would create.

Any improvement in accessibility would be offset by a substantially higher purchase price for buses, higher operating and maintenance costs, reduced seat capacity and revenue potential, and the distinct possibility of higher fares and reduced route flexibility. These offsetting factors could well result in a deterioration in the value of buses as a means of mass transportation for everyone and thus perpetuate the trend away from public transportation.

Regardless of bus floor height, there are many practical features that can be incorporated in new buses to enhance bus transit service, especially for elderly and handicapped persons. As we have discussed, these include a reduction in step heights, wider doors where appropriate and provisions for optional equipment for wheelchair access. However, these are just a few. Other features developed or offered by GMC which are of direct benefit to the elderly and handicapped would include the following:

An improved automatic transmission to provide for smoother shifts as the vehicle approaches operational speed.

Air suspension in place of conventional leaf springs to dramatically improve the quality of the ride, and thus, the comfort and safety of all passengers.

A "kneeling" feature to facilitate loading and unloading by the handicapped.

Anti-skid rubber flooring to reduce the possibility of falls.

Sensitive edges on front and rear doors to prevent their closure on any person boarding or leaving the vehicle.

An interlock system to prevent the vehicle from moving when either the front or rear door is in an open position.

A public address system to announce destination points as an aid to those who may be hard of hearing.

Increased interior lighting candlepower to facilitate movement within the vehicle.

Special stairwell lighting extending out to the curb area to reduce the possibility of falls.

Extended use of grab rails and stanchions placed within the vehicle so as to facilitate movement within the vehicle.

These important aids to the elderly and handicapped are offered on our current product lines and we will continue to offer them on newly designed buses.

THE RTS

The next generation of GMC transit buses, which we refer to as RTS, incorporates many features derived from our experimental RTX and subsequent Transbus configurations. Where we have departed from these earlier concepts, we have done so only when confronted by limitations in available technology, the inability to assure reliable low cost service or confirmed objections among those responsible for operating and maintaining bus fleets.

The RTS will have a floor height of 32 inches when first manufactured. We are continuing our research to lower the floor height to 30, or perhaps 29 inches. Whether this is possible will depend upon the results of our tests of a new

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smaller diameter tire. Presently, we are testing the only smaller production tire available anywhere that potentially has the capability of providing adequate strength and service life. It should be noted that while the GMC Transbus is equipped with even smaller tires, these are entirely experimental tires. No production tire of the size needed for the Transbus is available from any U.S. or foreign supplier.

The RTS is designed with the kneeling feature previously discussed which will lower the front end of the bus by an additional 5 inches. Therefore, the 32-inch floor can be lowered to 27 inches and, at a later date, we expect that a 29-inch floor will be feasible which can be lowered to 24 inches through use of the kneeling feature.

In addition to the many available features we have discussed, we have under devlopment for use on the RTS a device which prevents any door from opening while the vehicle is in motion and a wheelchair lift for installation at the rear door.

Also, the RTS is equipped with new cantilevered seats which will eliminate the possibility of tripping. We are using a new transmission that will offer an even smoother ride, and the passenger destination signal has been relocated in a handy position on the window posts.

We believe the RTS is a truly advanced transit bus concept that will meet with the approval of transit operators and those who new rely on bus transit. More importantly, we believe the RTS will attract many new riders, including elderly and handicapped persons, who at this time are only prospects for bus transit.

PERSONALIZED PUBLIC TRANSPORTATION

The RTS is a considerably more accessible bus for elderly and handicapped persons than buses currently in use. However, for many in this category, mass transportation itself presents serious obstacles that cannot be overcome simply by improved bus design. Some of these are:

The physical effort that must be expended in just getting to and from a bus stop at both ends of a trip;

Apprehension at having to wait at bus stops, especially in inclement weather, while subject to possible theft and other crimes; and

The necessity of having to negotiate barriers such as motor traffic, crowds and poorly accessible loading islands often located in the center of the street.

These and other non-vehicle obstacles can become realistic, everyday challenges to the strength and spirit—even for many who are able-bodied.

For many of our older and handicapped citizens, some type of personalized public transportation service would appear to be an attractive alternative to any form of mass transit, regardless of vehicle accessibility. Such service is not demeaning in any way. Where implemented, personalized service would demonstrate, in our opinion, a high degree of social concern.

General Motors, through its Transportation Systems Division, has been engaged in a number of programs concerned with providing various forms of personalized services for the elderly and handicapped. Twelve 17-passenger buses of a special design have been delivered to the Rochester Transit Service in Rochester, New York for use in their demand responsive transportation program. These unique small buses feature a low 16 inch floor coupled with a single retractable 8 inch step. These buses have recently been placed in service and we are evaluating their performance and public acceptance, particularly by the elderly.

In Cincinnati, GM has entered into a long term cooperative agreement with the city and local transit authority to experiment with variations in types of transit service and management techniques to better understand costs and benefits. This program referred to as the Urban Transportation Laboratory, involves a selected corridor of the city approximately four miles wide and fifteen miles long. We have proposed to the city that personalized services be considered, including service for elderly and handicapped persons. We have also proposed to conduct, with the city of Cincinnati, a study of improved transit and personalized service to and within the Cincinnati Medical Center.

Also, we are about to initiate a contract study for the Southeastern Michigan Transportation Authority to develop a fifteen-year service plan for elderly and handicapped transportation. This study will involve consideration of a number of alternative approaches ranging from complete reliance on decentralized special services to greater reliance by the elderly and handicapped on conventional transit.

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BUS STANDARDIZATION

Another subject we have been asked to discuss is the matter of standardizing bus components.

Theoretically, the cost of transit buses could be reduced if, through standardization, the great number of options demanded by operators were reduced. Reducing the number of options could result in higher volume, lower cost production and, perhaps, in some reduction of delivery times.

Recognizing that different geographic, climatic and traffic conditions, and, within reason, operator preferences justify some flexibility in the selection and design of optional components, complete standardization is an unrealistic goal. Thus, while we would not urge complete standardization, we believe the range of optional designs for certain components can be greatly reduced.

It appears to use that the excessive proliferation of options has been due, in part, to the transit industry's desire to give their equipment a new look—to upgrade the image of bus transit in the public's mind and attract customers. The enormous variety of paint schemes is an indication of this. In our judgment, a new bus, such as the RTS, will stem the tide toward an ever-increasing number of options—especially those without significant functional differences. If this proves to be correct, we will have made substantial progress in this area without resort to further unnecessary government regulation.

This concludes our statement. We appreciate the opportunity to present our views and to reaffirm our support of the goal of improved public transportation for all citizens. If you have questions, we will do our best to answer them here or provide written answers for the record.

Thank you for your kind attention.

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Statement

by

General Motors Corporation

Presented to the

Subcommittee on Surface Transportation

of the

House Public Works and

Transportation Committee

on

Accessibility Requirements for Mass

Transportation Facilities and Vehicles

Presented by

Robert W. Truxell

Vice President and General Manager

GMC Truck and Coach Division

Washington, D. C.

June 2, 1976

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Chairman Howard and members of the Surface Transportation Subcommittee, on behalf of General Motors I want to express our appreciation for your invitation to participate in these hearings on transit vehicle accessibility for the elderly and the handicapped.

I am Robert W. Truxell. I am vice president and general manager of the GMC Truck and Coach Division of General Motors. With me today are Edward R. Stakel, our division's director of public transportation and Frederic Brede, our chief engineer for buses.

We realize the Subcommittee is considering a number of bills relating to improved transportation for elderly and handicapped persons. Although General Motors has not taken a position on specific provisions of this legislation, we do support the overall objective with respect to the implementation of feasible, cost effective improvements in public transportation.

We will confine our remarks to the accessibility aspects of transit buses as these are the principal transit vehicles manufactured by GM and the vehicles most used in public transportation today.

As you know, the Urban Mass Transportation Administration held a one day public meeting on May 5, 1976, on the subject of bus accessibility. GM was a participant, and we request that a copy of our statement for that meeting be included in the record of these hearings.

Background

By way of background, we would like to point out that the GMC transit buses generally in use today were introduced in 1959. While this bus design -- which became known as the "new look" series -- is still being produced, GMC has been actively pursuing the development of a new generation of buses since 1966.

In 1968, as part of its research and development program, GMC completed its experimental transit bus -- the RTX. The RTX incorporated many experimental concepts for improved accessibility, including a low floor and a unique suspension which permitted the bus to kneel -- that is, to be lowered -- for easier boarding. The RTX

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was designed to provide greater passenger comfort and convenience, and met or exceeded virtually all of the criteria established by the National Academy of Engineering. The Academy had been commissioned by the U. S. Department of Housing and Urban Development to develop new bus specifications, with particular emphasis on the needs of the elderly and handicapped.

Further testing of the RTX and its evaluation by transit authorities revealed operational and other difficulties with respect to its low floor. For example, the low floor did not provide adequate ground clearance for the vehicle. Additional development effort resulted in GMC's new rapid transit series design which we have designated the RTS. This new design retains most of the improved accessibility features of the earlier experimental model. Transit operators have expressed enthusiastic interest in the striking improvements it offers, and we expect the RTS to go into regular production this fall.

Meanwhile, in 1972, a federally-funded demonstration project, known as Transbus, was undertaken by the Urban Mass Transportation Administration. As you know, one of the objectives of the Transbus program is to develop and evaluate specifications which could apply to buses purchased under the UMTA grant program for urban transit systems. Many of the experimental accessibility features originally designed for GMC's experimental RTX were incorporated in the government's Transbus design.

Three manufacturers, including General Motors, participated in the Transbus program. Each manufacturer delivered three buses to UMTA during 1973-74 for evaluation. This evaluation is still in progress with a considerable amount of testing and development remaining before a comprehensive evaluation can be completed.

GM has supported the Transbus program from its inception and we will continue to do so. Although we strongly believe there are some aspects to Transbus which require further consideration, we believe such demonstration projects can provide valuable guidance for future bus designs.

The RTS

The design of the RTS is based on the knowledge gained from the RTX and confirmed by the Transbus experience. It is an all-new advanced bus design incorporating recent advancements in materials and production technologies and offering significant improvements in

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comfort, safety and accessibility for all riders, with special emphasis on the elderly and handicapped.

Among the improvements for accessibility, the RTS will have a wide rear door for wheelchair access. This allows the wheelchair to be conveniently positioned on board the bus directly opposite the rear door and avoids the problem of negotiating a wheelchair within the confined and often crowded front section of the bus when the front entrance is used for wheelchairs. In addition, transit operators have expressed an overwhelming preference for a front door width which would permit only single file entry to the bus. This minimized overcrowding and enables the bus driver to maintain surveillance of boarding passengers, answer questions and to be certain each passenger pays the proper fare.

The RTS also is designed to accommodate a lift to move wheelchair passengers into and out of the bus. The wheelchair lift is now undergoing extensive testing and should be available for production installation within about 14 months.

With respect to step height, the RTS will be built initially with 9 5/8 inch high front steps. The first step from ground level will be 13 inches high and can be reduced to 8 inches when the bus is equipped with the GM-developed kneeling feature.

We are currently testing a new tire of slightly smaller diameter for the RTS. If these tests prove successful, as we believe they will, the new tire could be available in about 12 months. On this basis, the front steps can be reduced to an 8 inch height. The first step from ground level will remain at the 13 inch height, or 8 inches high when the kneeling feature is used. These are within the dimensions specified by UMTA for Transbus.

Rear exit steps are another matter. However, the Transbus requirement, for the first step down from the level of the floor to be no more than 9 1/2 inches, can be met. A second step of 9 1/2 inches will then allow a step to road level of 15 inches which also meets the Transbus requirement.

In our judgment, 8 inch risers at the rear exits are not essential when stepping down from the bus. Furthermore, it is not yet technically feasible for us to provide 8 inch risers on the rear steps along with a final 14 inch step to road level as specified

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for the front. This is because of the clearance required between the bus body and the mechanical drive and suspension systems which are located in the area of the rear exit steps.

Here again the kneeling feature could be used to further reduce the 15 inch step to 12 inches.

In our judgment, the RTS is a highly accessible bus for all passengers, including the elderly and handicapped. Beyond these accessibility features, the RTS also is equipped with a new transmission for a smoother ride, wall-mounted seats to prevent tripping and stop signals located on the window posts for convenient use.

The RTS Floor Height

Despite the many significant improvements that have been made in the RTS, some have questioned why we designed this bus with a higher floor than the RTX or Transbus.

The RTS floor height will be 32 inches from ground level at the start of production, with the likelihood that this height can be reduced to about 29 inches using the small tire now under test. With the kneeling feature, the RTS floor height would be lowered by another five inches in each case.

Let me assure you the current 32 inch RTS floor level design is based on the practical realism of current technological limitations, cost effectiveness, and confirmed convictions on the part of transit officials responsible for operating and maintaining bus fleets.

GMC was an early advocate of the low floor concept. However, careful evaluation of the experimental RTX and Transbus vehicles, by others as well as ourselves, clearly indicated that a number of severe, if not insurmountable problems exist. Therefore, a rigid commitment to a low floor design could actually delay the availability of substantially more accessible buses for an indefinite number of years as the attempt is made to resolve the problems inherent in the low floor design.

It was with three basic objectives in mind: high reliability, low cost and essentially unlimited operating capability, that GMC designed the RTS, and did so without unduly compromising accessibility for anyone.

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Reliability

The reliability objective was a prime consideration. Reducing bus floor height in the neighborhood of 10-12 inches from the present 34 inch height requires that a number of significant changes be made in the major mechanical components, such as the drive and suspension systems. These are not simple modifications to existing parts but require all new, largely untried components of much greater complexity.

For example, a low floor requires that small diameter wheels and tires be used. The four rear wheels and tires cannot be installed in a single axle without increasing tire wear and reducing interior floor space. Thus, two rear axles are needed, and moreover, both must be driving axles to provide the necessary traction. Tandem driving axles also added to the complexity of the suspension and braking systems and increase the number of parts that must be used.

We should also point out that tandem axles restrict the number of seats that can be installed in a bus. Tandem axles require larger wheelhouses and thus reduce interior floor space otherwise available for seats. Even after making necessary changes in the structure and mechanical components of the bus to maximize seating capacity, the number of seats is reduced on the order of 10-20 percent from the number available on current buses. This would make it more likely that many elderly and handicapped passengers would have to stand.

To date only nine Transbus models using this tandem axle configuration have been built, and not one has been tested adequately on a real world, life cycle basis. Nor have the Transbus tires, which are much smaller than normally used, been proven to be acceptable. In fact, serious tire problems have occurred in just the limited operation of the Transbus vehicles -- all of which use these very small diameter experimental tires.

In view of the complexity and present state of the art as they apply to the drive, suspension and braking systems, and to the tires as well, serious questions remain as to the long term reliability of a low floor bus.

In our judgment, the RTS will meet the market need for a new bus design, will provide good reliability and offer a high degree of accessibility for the elderly and the handicapped.

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Cost Considerations

Cost is also a vital consideration in new bus design. Based on our experience with the GMC Transbus, which has a 24 inch floor height, we estimate the additional price of this low floor bus over a comparable one of current design would be in the neighborhood of $20 - $30,000. Much of this added cost is attributable to the more complex running gear previously discussed, which is required for low floor buses.

A low floor bus also will result in higher operating costs. Fuel consumption alone would increase significantly due primarily to the tandem axle drive and added vehicle weight of about 3,000 pounds. We estimate, for example, that if all current transit buses in the U. S. were replaced with the GMC Transbus configuration, approximately 40 million additional gallons of fuel would be consumed annually at a cost of about $12 million per year.

In addition, maintenance costs are expected to increase due, in part, to the greater number and complexity of mechanical components. Also, reduced front and rear clearance can be expected to result in more damage from chuck holes and other irregularities on the road, thus increasing repair costs.

The RTS incorporates many advanced engineering concepts, including a number of features previously discussed to improve accessibility for elderly and handicapped persons. These improvements have been accomplished while avoiding the substantial additional costs associated specifically with a low floor design, which would yield only marginal improvement in accessibility.

Operating Capability

Unrestricted operating capability is obviously a rigid requirement for transit bus design. One of the most important attributes of present buses is their ability to be used on almost any city street or route that best serves the needs of the community.

A low floor bus can result in lower underbody clearance. Thus, compared to a current bus configuration, a bus with a low floor could be less capable of negotiating ramps and approaches to hills in some parts of the country.

About 75 percent of the transit authorities told us they did not want a low floor bus such as the RTX or Transbus because of their concern over operating difficulties experienced in limited road tests of low floor buses. Unless the roadway is nearly level throughout the route, a characteristic found only along major or primary thoroughfares,

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a low floor bus would be subjected to ground obstructions that could be dangerous as well as damaging to the bus. Repairing damaged buses not only increases maintenance costs but also results in greater downtime and disruptions in service to the public.

In addition, tests of the low floor buses in the northern tier of states where snow is a problem convinced transit management that low floor buses would further limit the type and scope of service offered in those areas.

Of course, routes can be selected which favor low floor buses. However, such restrictions defeat the all-important route flexibility that buses offer. If bus transit is to be available to all citizens, buses should be designed to travel where people need them, rather than along routes selected to accommodate the design of the bus.

Summary

To sum up, improved accessibility of transit buses for the elderly and handicapped is recognized by General Motors as an important design objective. Every feasible effort should be made to increase accessibility.

GMC's early development of the experimental RTX and of the first prototype of the RTS, both of which we undertook on our own initiative, is evidence of the importance we attached to this objective.

Furthermore, our full participation in the Transbus program itself is a clear indication of General Motors commitment to improved bus transportation and the evaluation of new vehicle concepts, including in this case the low floor design. In fact, GM's new RTS will incorporate most of the Transbus features to improve bus accessibility for the elderly and the handicapped.

However, as we have learned from evaluations of the experimental RTX, the prototype RTS, and Transbus vehicles, accessibility is but one among a number of important bus design objectives that must be met if bus transit in the future is to remain a viable form of public transportation.

Arbitrary design requirements, such as a specified low bus floor, can compromise vehicle reliability, increase costs significantly and result in a deterioration on the desired level of service. In effect, the costs and potential problems associated with a low bus floor far exceed the marginal improvement in accessibility.

The all-new RTS bus is not a repudiation of the Transbus program. Rather, it is a logical embodiment of those accessibility features that can be incorporated in a

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production bus while preserving those qualities that have made bus transit the principal public transportation system in America.

We believe the RTS is a truly advanced transit bus concept that will meet with the approval of transit operators and those who now rely on bus transit. More importantly, we believe the RTS will attract many new riders, including among them many elderly and handicapped persons.

This concludes our statement Mr. Chairman. We appreciate the opportunity to present our views. If you have questions, we will attempt to answer them here or provide written answers.

Thank you very much.

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THE TRUTH ABOUT "AMERICAN GROUND TRANSPORT"— A REPLY BY GENERAL MOTORS

Submitted to the Subcommittee on
Antitrust and Monopoly of the
Committee on the Judiciary of the
United States Senate

April, 1 9 7 4

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INTRODUCTION

At the initial round of Hearings on the automobile business, this Subcommittee received a document, prepared by a staff attorney, Bradford C. Snell, entitled "American Ground Transport: A Proposal for Restructuring the Automobile, Truck, Bus, and Rail Industries." This document in its entirety has no real bearing on the issues raised by The Industrial Reorganization Act, but because wholly unfounded accusations in it have been widely publicized to the damage of General Motors, the record must be set straight.

The two most widely publicized charges were that General Motors aided the Nazi government during the Second World War and that General Motors deliberately sabotaged the rail transportation capability of the United States. It is claimed further that this destruction was accomplished by a far-sighted plot, extending over decades, under which GM first coerced rail carriers into abandoning electric vehicles for diesel locomotives

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and buses, and then cleverly made its diesel products as unattractive as possible so that people would have no choice but to buy cars.

We do not attempt to refute each and every statement contained in "American Ground Transport." This paper will focus on the facts with respect to those basic propositions upon which the whole argument turns. These are: (1) the claim that General Motors coerced railroads into buying unwanted diesel locomotives by capitalizing on its position as a large shipper and (2) the claim that General Motors was responsible for the destruction of thriving street railway systems. Since these basic propositions are shown to be untrue, the entire argument advanced in "American Ground Transport" falls.

This memorandum consists of four major parts. Part I refutes the claims that have been made about World War II. Part II deals with the long-refuted claim that GM "forced" the railroads to buy its diesel locomotives. Part III answers the erroneous charge that

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General Motors "destroyed" thriving street railway systems. Finally, Part IV refers to various additional misstatements contained in "American Ground Transport."

Although "American Ground Transport" has not been endorsed by this Subcommittee or by any individual on it, the document has been widely publicized as the work of a Subcommittee staff member and may be construed as bearing the imprimatur of the Subcommittee. The false accusations, misleading inferences and erroneous conclusions which it contains have been repeated across the country, to the damage of General Motors, in newspaper stories, in national television broadcasts and in public statements by the mayors of two great cities. Attached as an Appendix to this Reply are samples of news stories based on "American Ground Transport" which have appeared in recent weeks.

We submit that this has created an unfortunate situation whereby General Motors has in effect been indicted publicly without proper means of rebuttal. In an effort to remedy this unusual situation in a fair and equitable manner we suggest that the Subcommittee, upon due deliberation, take the following action:

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First: that all further distribution of "American Ground Transport" be suspended at this time;

Second: that this Reply by General Motors be printed in the same manner as "American Ground Transport" by the Government Printing Office; and

Third: that this Reply should immediately follow "American Ground Transport" in the published record of these proceedings and should be bound with it if any further distribution by the Subcommittee is undertaken.

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I

GENERAL MOTORS DID NOT ASSIST THE NAZIS DURING WORLD WAR II

Since it has no relevance at all to the Industrial Reorganization Act, it is hard to understand why the discussion of the Second World War in "American Ground Transport" was inserted. This document makes the extraordinary claim that General Motors (and Ford) actively assisted the Nazi war effort.

The former employes of General Motors who have been slandered by these statements are, for the most part, no longer here to defend themselves. Fortunately, they are adequately defended by the record.

In the years prior to 1939 Adam Opel (a GM subsidiary since 1929) had produced only its traditional products--cars, trucks, and spare parts. After the German invasion of Poland in 1939, the American personnel resigned from management positions rather than participate in the production of war materials, even though at this time the United States was neutral. The General Motors

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al Report for 1939 states:

> "As a result of the declaration of war, and in line with the Corporation's operating policies with full recognition of the responsibility that the manufacturing facilities of Adam Opel A.G. must now assume under a war regime, the Corporation has withdrawn the American personnel formerly in executive charge of this operation. . . ."

With these resignations, though it temporarily ined nominal representation on the Board, GM relinhed effective control over the day-to-day operations pel. As early as October 1939, the German government prohibited the transmittal of financial or operational rts from Opel to General Motors.

The last of GM's American employes who had assigned to Opel departed from Germany in early h 1941. A meticulous search has disclosed no comcations whatsoever between Opel and General Motors oration after September 2, 1941.

Following the German declaration of war on United States on December 11, 1941, the relationship

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with Opel was entirely severed. No Americans sat on the board of directors, even nominally, after that time. In 1942, a German custodian was formally appointed by the Reich Commissioner for Treatment of Enemy Property.

Opel, while under GM control, possessed no special aircraft product technology. The product development and engineering required for the production or assembly at Russelsheim of aircraft parts for the JU-88 medium range bomber, and, later the jet engine of the ME-262 jet fighter, was supplied by German aircraft and aircraft components firms. The German government brought this German aircraft technology, including know-how, into the Opel plant to build the products of war. GM had nothing whatever to do with the design and development of those aircraft and engines pictured in the document presented to this Subcommittee (and in any event no complete aircraft were built at the Opel facilities).

As the war drew to a close, the Russian army occupied what remained of the Opel facility at Brandenburg.

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(Brandenburg happened to be in the Soviet zone of occupation, later to become East Germany.) The Russians dismantled the plant and shipped all machinery and equipment by rail to Kutau in the Russian Caucasus. The dismantling even included removal of portions of the buildings. (It should be noted that the Potsdam Agreement of 1945 specifically provided that the Soviets could satisfy their claims against Germany by removing property from the Soviet zone.)

In light of these facts, the claims that General Motors "became an integral part of the Nazi war efforts" (p. 17); that "GM . . . was in complete management control of its Russelsheim warplane [sic] factory for nearly a full year after Germany's declaration of war against the United States" (p. 22); and that GM American personnel served on the Opel board of directors "throughout the war" (p. 85, fn. 135) are totally false.

The unqualified statement that "GM's plants in Germany built thousands of bomber and jet fighter propulsion systems for the Luftwaffe" (p. 17) and that

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since the war, "GM's truck plant in Brandenburg, East Germany . . . [has] more than likely become [a] substantial" factor in the Communist economy (p. 22) without any mention of the fact that GM has or had nothing to do with these operations, is totally misleading.

The further charges that GM and other firms "could determine . . . which belligerent would benefit from their latest advances in war-related technology" (p. 17); that they "were able to shape the conflict to their own private corporate advantage" (p. 17); that it served their "best interests . . . to cooperate in the Axis war effort" (p. 22); and that if the Germans had won the war GM "would have appeared impeccably Nazi" (pp. 22-23) have no foundation in fact and are totally irresponsible.

These charges that General Motors assisted the Nazis in World War II are entirely irrelevant to the issues before the Subcommittee. Yet, for some reason, they are illustrated with the only photographs in the entire document. If the purpose was to attract publicity,

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irrespective of the facts or their relevance, it succeeded--at the cost of assaulting the good name and memory of many former employes of General Motors whose patriotism and undivided loyalty to the United States is evidenced by the record.

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II

GENERAL MOTORS DID NOT SUPPRESS RAIL TRANSPORTATION WITH THE DIESEL LOCOMOTIVE; IT ADVANCED IT

The argument that GM repressed railroad transportation is introduced by and is entirely dependent upon the following unqualified assertion:

> "As the Nation's largest shipper of freight, GM was able to exert considerable influence over the locomotive purchasing policies of the Nation's railroads. It used this powerful form of leverage to sell its diesel locomotives." (pp. 38-39)

This statement is crucial because it is the cornerstone of the claim that GM foisted inferior mass transportation equipment on unwilling carriers, to the detriment of the nation's entire transportation system.

The author must have known, because he refers to the fact elsewhere (p. 75), that the U. S. Department of Justice has conducted an exhaustive investigation of this very matter. In fact, it did so for a period of over a decade in the administrations of

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three presidents of both political parties. Hundreds of witnesses were interviewed and thousands of documents were examined; in the end the prosecutors concluded--not once, but twice--that they had no case. The charge that GM used freight to sell locomotives was (we thought) finally laid to rest when the Government moved to dismiss the sole remaining case, with the following statement which is a matter of public record:

> "Plaintiff recently completed an extensive review and re-evaluation of the available evidence. Based upon this re-evaluation it is plaintiff's view that the available evidence is insufficient to establish the violations alleged." United States v. General Motors (locomotives), Civ. No. 63 C 80 (W.D. Ill. June 2, 1967)

One would think that anyone who now disinters these abandoned charges would at least acknowledge this past history when he does so. Moreover, if he asserts them as truth in aid of a crucial proposition, should he not also come forward with some convincing demonstration that the prosecutors made a mistake? What is offered instead are a grand total of five references which, even if substantiated, would hardly prove a nationwide course

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of conduct lasting for decades and which, in fact, cannot survive even cursory scrutiny.

The reference to the Gulf, Mobile & Ohio Railroad (p. 39) is supported only by unproven allegations in the indictment in the Government criminal case which was voluntarily abandoned! The reference to the Baltimore & Ohio Railroad (p. 39), which is set forth to give the appearance of being a quotation from a letter, but isn't, is "supported" only by one of the author's ubiquitous "confidential" interviews! Note also that, even if the quotation were genuine, it would not establish that GM sold locomotives through reciprocity--only that a railroad president tried to obtain freight business that way.

The charge that GM "reportedly used its freight leverage to coerce the [New Haven] railroad into scrapping all of its electric passenger and freight locomotives in favor of GM diesel passenger units" (p. 40) is again "supported" only by a "confidential" interview. Moreover, Harold L. Smith, currently general manager of the Electro-Motive Division, points out in his statement* that the New Haven never scrapped "all" of its electric locomotives

* This statement, dated April 10, 1974, has been submitted to the Subcommittee.

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anyway--its successor operates them today. Finally, the charge is belied by the fact that the overwhelming majority of the diesels which were initially ordered by the New Haven were supplied by GM's competition. As of the end of 1956, the year in which the author claims GM induced the New Haven to switch to diesels, only 50 out of the road's 400-odd diesels were General Motors units -- and these 50 diesels were all yard switchers and freight locomotives, which hardly could advance a plot to divert passenger traffic!*/

The fourth reference in fn. 256 to "standing instructions" issued on freight shipments in 1935, when read in its entirety, makes it clear that routing is to be based on merit. This is entirely consistent with

*/ Snell's specific testimony about the New Haven, in response to a question from Senator Hruska, reads as follows:

> ". . . General Motors came in [to the New Haven] in 1956 and said, 'Look, you'll have to scrap all of that equipment, because we're your largest shipper of freight and we're selling GM diesel locomotives and you should buy GM diesel locomotives.'" (Transcript of Hearings, Feb. 26, 1974, at p. 137)

This testimony is a total fabrication.

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the instruction which GM's president, Alfred P. Sloan, Jr., issued earlier in the year that freight shall be routed and locomotives shall be sold solely on their separate and individual merits. See "The Locomotive Industry and General Motors" 48 (1973).

The fifth reference, upon which the author seems to place great reliance because he mentions it first in the text, is not specific, but nonetheless the most misleading of all. In some manner unknown he obtained a copy of a privileged memorandum from the files of GM's outside law firm in the locomotive litigation. This memorandum, entitled "Reciprocity as Proof of the Offense of Monopolization Under Section 2 of the Sherman Act" contains 73 pages. The author of these charges against GM has relied on a single speculative sentence from the memorandum (p. 39, n. 258) and the significance of this single sentence is totally distorted by its removal from context. Reproduced below is the sentence quoted by the author and the very next sentence (underscored for emphasis) in the same legal memorandum which makes it clear that the speculation had no basis in fact.

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> "GM could, in all probability, have successfully capitalized upon the railroads' sensitivity to reciprocity by frequently reminding them of GM's considerable traffic, and could have done so without ever interfering substantially with the economical routing of traffic. [The fact that GM did not do so, while EMD's competitors did engage extensively in reciprocity, appears to be a tribute to the strength of GM's policy against reciprocity.]" (p. 68)

The author's accusation that GM used its position as a large shipper of freight to sell locomotives has not been sustained. When it collapses, the author's thesis that GM has impeded the development of railroad transportation in the United States collapses as well. But, one can go further and demonstrate that GM has made a positive contribution to the welfare of the railroads.

The significant contribution which General Motors made through its pioneering development of the diesel locomotive is a story that has been often cited as one of the great success stories of American competitive enterprise. It is set forth at length in the booklet "The Locomotive Industry and General Motors" which was

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supplied to the Subcommittee a year ago and which is submitted for the record at this Hearing. It is summarized in the statement of Harold L. Smith, also submitted at this Hearing. It is perhaps best summed up in the 1956 staff report of this Subcommittee (then sitting under Senator O'Mahoney) which stated:

> ". . . The diesel locomotive revolutionized the railroad industry. General Motors can point to its entry into this field as an example of the operation of a progressive company at its best--entry into a new field, with a new product satisfying an economic need, and offering progressive reduction in the pricing of its product." (S. REP, No. 1879, 84th Cong., 2d Sess. 35 (1956))

Or, as one railroad president put it:

> "The greatest single contribution to the economic and efficient operation of our railroads during my 40 years of association with the industry has been the development of the Diesel locomotive." (James M. Symes, President Pennsylvania Railroad in 1955)

Another railroad president testified on the initial diesel freight locomotive as follows:

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> ". . . here we had the ultimate. Here was an engine that in my judgment outperformed anything we had in the country. I just made up my mind to two things right now: That the day of the steam engine was history; that I owed a debt of gratitude to the fellows that made that all possible, and that was your company, my good fellow, General Motors." (Fred Gurley, former Chairman Santa Fe Railroad, Deposition p. 144, civil Locomotive case)

As the Government knew when it decided to dismiss the Locomotive cases, chief executives of other railroads throughout the country were prepared to give similar testimony had the cases gone to trial.

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III

GENERAL MOTORS DID NOT DESTROY STREET RAILWAY SYSTEMS; THEY FAILED EVERYWHERE BECAUSE THEY WERE NO LONGER ABLE TO GIVE ADEQUATE SERVICE

For those who seek simple explanations for complicated urban problems, "American Ground Transport" provides a convenient scapegoat, General Motors, which is charged with the "destruction of more than 100 surface rail systems" which caused a "devastating impact . . . on the quality of life in American cities" (p. 2). It also provides a simple cure, namely the forced ouster of General Motors from the mass transportation business, presumably to clear the way for the return of the streetcar.

Although the accusations against General Motors appear to be detailed and complex, their truth can be tested (as it was in locomotives) by examining the fundamental claim on which the whole argument turns. If the street railway systems in this country were not the thriving and effective enterprises that the author claims,

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then their demise can hardly be blamed on General Motors and their return can hardly be the panacea for the future.

We will set forth in this section the facts about the street railway systems in those cities which the author himself has selected as the prime exhibits in support of his argument. Examination of those facts will show that street railways failed for economic and demographic reasons which had nothing to do with any plot by General Motors.

The fact that General Motors provided a modest amount of financial assistance (without any managerial control) to National City Lines, which had interests in some transit operations, did not have any effect on their decisions to convert from streetcars to buses. Since, however, the author has placed considerable emphasis on the investment in National City Lines and on the National City Lines litigation, it is necessary at the outset to place those matters in perspective.*

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* The source for this brief summary (unless otherwise indicated) is the statement by General Motors printed in Hearings, Senate Subcommittee on Antitrust and Monopoly, Committee on the Judiciary, 84th Cong., 1st Sess. 3919 (1955), and also placed in the record at these Hearings.

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General Motors did not invest in National City Lines or any of its affiliated companies because it was interested in obtaining control over the operating decisions of transit operators. National City Lines v. U. S., Supreme Ct. Rec. (hereinafter "CR") 516-17, 568-69, 629-44. In fact, it would have preferred not to invest in National City Lines at all. City Lines was a customer which had borrowed $150,000 at the time it was first organized in 1936, but repaid the loan in three months after a public stock sale. (CR 461-778)

Thereafter, the investment of $500,000 which GM made in National City Lines in 1939, and subsequent investments in American City Lines (a National subsidiary), in 1943, and Pacific City Lines (beginning in 1938 when that company was also a National subsidiary), were made at the request of those companies, which had experienced difficulties raising money from other sources.* (CR 469-70, 489, 781-793) Similarly, partial requirements contracts for GM

* The grand total of GM's investments in all three companies was only $2.9 million.

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buses were only negotiated after the customers themselves had requested them. (CR 789, 799)

Notwithstanding the fact that the investments and the partial requirements contracts were negotiated at the request of National City Lines and notwithstanding the fact that General Motors' share of the City Lines' business was lower after the contracts than it was before, these contracts were found to be an antitrust violation. It is this to which the author and other witnesses have so repeatedly referred as the means GM used to eliminate streetcars.

The important thing, however, is not that the

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violation which was found involved a close point of law,* but rather that it had nothing at all to do with the replacement of streetcars by buses.** There is not one word in either the Government indictment in the criminal case or the complaint in the companion civil case which charges GM with unlawfully scrapping or eliminating street railway systems.

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* In the National City Lines civil case, the court said:

> "Whether or not these practices are illegal under the antitrust laws turns upon nuances of circumstances which cannot be foreseen or determined in advance of the event.
>
> * * *
>
> ". . . the failure to cancel these arrangements as soon as they were called into question by the Government is also consistent with a bona fide belief of the defendants that there was nothing unlawful about the arrangements and the court is not prepared to say that in the state of the law at the time the complaint was filed this belief could not reasonably be entertained." (U.S. v. National City Lines, 134 F. Supp. 350, 360, 362 (N.D. Ill. 1955))

** The author seeks to reinforce the misleading impression that the National City Lines case involved an illegal conspiracy to substitute bus for rail transportation, by referring to the Government's appellate brief in the case throughout as the "U.S. Streetcar Appellate Brief" (see fn. 200).

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As pointed out in the Opinion of the Seventh Circuit Court of Appeals, U. S. v. National City Lines, 186 F.2d 562, 564 (1951), GM and the other defendants were acquitted of the charge that they had conspired "to secure control of a substantial number of the companies which provide public transportation service" in various parts of the country. The case therefore lends no support to the contention that it was GM, through National City Lines or affiliates, who induced these companies to abandon streetcars. Moreover, the opinion in the case actually pinpoints the basic flaw in the current accusations that General Motors, for ulterior motives, destroyed healthy streetcar systems:

> "In 1938, National conceived the idea of purchasing transportation systems in cities where streetcars were no longer practicable and supplanting the latter with passenger buses." (186 F.2d at 565; emphasis supplied)

The statement in "American Ground Transport" that "GM extracted" contracts from transit companies requiring the purchase of gasoline-fueled equipment (p. 31) is similarly false. (It is also implausible on

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its face because the diesel buses, which GM was trying to sell, do not run on gasoline.) The only contract containing such a provision (which apparently was the basis of the Government's accusation) was negotiated by a Midwestern oil company; GM had nothing whatever to do with it. National City Lines v. United States, Gov't Ex. No. 84, CR 637, 791, p. 1291. Moreover, this supply contract did not apply at all to any cities in the State of California, which the author cites at page 31 as his prime examples of the "ruin" supposedly wrought by GM.

It is appropriate to turn now to the facts about Los Angeles.

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Los Angeles

The author claims that in 1939 Los Angeles was served by the "quiet" and "efficient" Pacific Electric interurban electric railway system. This system, he asserts, was complemented by the Los Angeles Railway, which operated streetcars in the downtown area.

In 1936, he charges, GM had organized National City Lines, a "holding company to convert the remainder of the nation's electric transportation systems to GM buses." (p. 30) Then in 1940, he claims, National City Lines, acting through affiliated companies, and Standard Oil of California "began to acquire and scrap portions of the $100 million Pacific Electric system including rail lines from Los Angeles to Glendale, Burbank, Pasadena and San Bernardino." Then "having severed Los Angeles' regional rail links," he claims that "GM and its auto-industrial allies ... motorized its downtown heart," by converting the Los Angeles Railway system from streetcars to buses. (p. 31)

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The story sounds dramatic, but what are the facts? The truth is that both the Pacific Electric and the Los Angeles Railway began to abandon streetcars before GM was even in the bus business and long before National City Lines or any of its affiliated companies were even organized. Moreover, National City Lines had nothing whatever to do with severing "regional rail links," as the author claims.

Pacific Electric commenced the progressive abandonment of its own rail passenger service as early as 1917, fully 23 years before it is claimed that GM (and its "allied highway interests") "began to acquire and scrap portions of the $100 million Pacific Electric System." (p. 31) As reported in Duke, Pacific Electric Railway (Pacific Ry. Journal 1958) at p. 7:

> "The establishment of bus lines as a substitution for unprofitable rail service began in 1917. The first line for replacement was the San Bernardino-Highland-Patton line. Other lines followed in the next few years including the local lines in Long Beach, Pasadena, Santa Monica, Redlands and San Pedro. The Redondo Beach line passed in the late 1930's as well as the Alhambra-San Gabriel-

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> Temple City lines and the Glendale-Burbank line. Service on the high speed 57-mile San Bernardino line was cut back to Covina. Things were black for the 'Big Red Cars.' Times were changing in Southern California and since PE could not provide proper rapid transit, it had no alternative but to change with the times." (Emphasis added)

According to a history prepared by its former General Attorney, the bus passenger mileage operated by Pacific Electric amounted to approximately 15% of the total mileage as early as 1926.* By 1939, the year before it is claimed that GM had any role in acquiring part of the system, over 35% of the total passenger miles were on buses. Pacific Electric steadily expanded its motor-bus operations in the 1920's and 1930's. Karr, Rail Passenger Service History of Pacific Electric Railway Co., App. B (Unpublished paper 1973). Further:

> "The Motor Transit Company which served local areas and reached as far as Bakersfield, Victorville and San Diego was partially absorbed into the PE system in 1930. By 1936 PE had purchased all interest owned by Greyhound and the lines were wholly merged into the PE bus system." (Duke, supra at 7)

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* Separate statistics are not available prior to that time.

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It is undisputed that the rail passenger operations of Pacific Electric were a financial catastrophe. Thus, Karr reports:

> "The Rail Passenger Losses
>
> "The rail passenger operations were never profitable with the exception of the year 1923 and the war years of 1943 and 1944. During those two war years rail passenger service was profitable; however, by 1946 the annual loss was $2,200,000. In 1947 the loss climbed to $3,426,000, and this loss was incurred on a gross rail passenger revenue of approximately $10.5 million. If these amounts are converted into today's costs, the amount of loss is not only substantial but simply impossible for private enterprise to bear." (Karr, supra at 16)

In 1940 the California Railroad Commission (predecessor of the Public Utilities Commission) in a decision which inter alia granted the application of the Pacific Electric Railway to abandon portions of its railway lines altogether and substitute bus service on other portions, stated:

> "Most elementary dictates of good business require that an industry stand on its own feet and earn sufficient

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> compensation for the service rendered to offset the cost incurred in providing such service. Over a period of many years Pacific Electric has not been operated on such a basis. . . . Collapse of the financial structure of Pacific Electric is inevitable without outside financial assistance if operations are continued on the basis as experienced during past years.
>
> * * *
>
> "One of the logical sources of reduced costs is substitution of motor coach service for rail lines which were constructed at large investments and designed to carry traffic far in excess of that which now presents itself." (Decision No. 33088, dated May 14, 1940, at 631-32; emphasis added)

The conversion of rail to bus operation was interrupted during the War, but resumed thereafter. In 1950 the California Railroad Commission authorized the substitution of bus service for rail on nine major lines serving outlying communities. Again, the Commission's opinion is instructive. It concluded that the company "can not continue to operate its outmoded and obsolete rail facilities at the losses indicated in this record" and continued:

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> ". . . . we find it to be in the public interest to authorize the changes in service as provided in this decision. In so doing, we are taking into account applicant's commitment to provide new, modern motor coaches to replace the rail passenger facilities.
>
> * * *
>
> "The record clearly shows that the passenger rail operations of applicant have been conducted at a loss over a long period of time. On the other hand, its motor coach service has been operated at a profit." (Decision No. 44161, dated May 9, 1940, at 661-662; emphasis added)

Noting the nationwide scope of streetcar companies' problems, the Commission continued:

> "In reaching the foregoing conclusions, we have in mind the very serious financial and service problems which have been experienced since the war by practically all metropolitan mass transit utilities, including those publicly operated. The war apparently served to delay but failed to halt, a definite trend toward abandonment of surface rail facilities in congested metropolitan areas and the substitution of motor coaches "
> (Id. at 662; emphasis added)

This story could be continued into subsequent years, but we believe the point has been adequately made.

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It might be worthwhile to add, however, that the conversion from streetcar to bus operations continued into the 1950's and 1960's when the system was run by Metropolitan Coach Lines, which had no connection whatever with GM, and later by the Los Angeles Metropolitan Transit Authority, a public agency. See, e.g. Decision No. 50447, dated August 17, 1954; Decision No. 54531, dated February 11, 1957. Los Angeles Metropolitan Transit Authority, Annual Report 1963.

The author ignores the fact that Pacific Electric itself and its successors converted from rail service to bus service for a period of four decades. Instead, he blames GM and its "auto industrial allies" for purchasing parts of the Pacific Electric System and thereby setting in motion a process which "severed Los Angeles' regional rail links and then motorized its downtown heart" (p. 31). The "regional rail links" which GM, through an affiliate, was supposed to have severed were lines from "Los Angeles to Glendale, Burbank, Pasadena, and San Bernardino."

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This accusation is totally inaccurate. Pacific City Lines, a company in which GM had an investment, did not acquire any interurban rail lines between Los Angeles and these points.

Pacific Electric did sell its operations in Glendale (1941) and Burbank (1944) to Pacific City Lines, but these were local bus lines. In Pasadena, Pacific Electric itself obtained authority from the Railroad Commission to abandon its local rail lines and bus service; thereupon a Pacific City Lines subsidiary substituted local bus service. Decision No. 33750, dated Dec. 21, 1940. There is no evidence that Pacific City Lines or any subsidiaries ever acquired transit operations in or to San Bernardino.

The interurban lines were not "severed" in 1940; some continued in operation until the 1950's. They were abandoned in stages by Pacific Electric or its successor, pursuant to authority granted by the Railroad Commission, because of their run-down and unprofitable condition and because of a lack of patronage. (See, e.g., Decisions

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No. 34687, dated Oct. 21, 1941; No. 40075, dated Mar. 17, 1947; No. 44161, dated May 9, 1950; No. 45682 dated May 1951).

So much for the "regional rail links;" what about the "heart?" The author blames American City Lines, a company financed in part by GM,* for the conversion of the downtown Los Angeles Railway system from streetcars to buses. But, this system was operating buses prior to 1928, a full 15 years before the creation of American City Lines, and the further expansion of its bus services, with abandonment of trackage, continued into the 1930's. (See, e.g., Commission Decisions No. 19472, dated Mar. 12, 1928; No. 20049, dated July 16, 1928)

In 1941, two years before the creation of American City Lines, the California Railroad Commission approved the application of Los Angeles Railway to convert additional lines from streetcar to bus service.

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*See page 21 supra for the background of this investment.

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The reasons advanced by the Commission (Decision No. 33984, dated Mar. 11, 1941) are both instructive and, by now, familiar:

> ". . . New motor coaches of modern design with uniform high rates of acceleration and deceleration, high free running speeds and trackless maneuverability in replacement of obsolete slow, noisy, rail cars restricted to use of tracks located in the street center, will expedite the freer flow of vehicular traffic and allow a more efficient utilization of the street surface. . . ." (p. 379)
>
> * * *
>
> "In arriving at a decision in this matter consideration must be given to the economic elements involved in addition to the service and facilities Applicant has for a number of years earned insufficient revenue to defray the normal costs of operation, fixed charges, and equipment replacement requirements. As a result many of applicant's rail cars are obsolete and unsuited to the demands of present day transportation requirements. The oldest type of equipment is used on the "A" and "10" lines for which motor coach substitution is proposed. . . ." (p. 381)
>
> * * *
>
> "Although there has been a rapid increase in population during the past decade in the Los Angeles area net income of applicant decreased from $1,483,300 in 1929 to a deficit of $381,705 in 1939, a decrease of $1,865,005 . . ." (p. 381)

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The conversion of Los Angeles Railway from streetcars to buses was thus well under way, for sound economic reasons, before National City Lines or American City Lines were even organized.

Moreover, the Los Angeles Metropolitan Transit Authority, created by the state legislature to acquire Los Angeles Transit Lines and other transit operations in the area, saw fit to continue the conversions from rail to bus after taking over the properties in 1958. In its 1963 annual report, the Authority stated:

> "One of the highlights of 1963 was the successful conversion of the five remaining local streetcar lines and two trolley coach lines to modern bus operation. This changeover was accomplished smoothly after a concentrated public information campaign to acquaint the public with the added convenience comfort and efficiency of the new operations in their particular geographic area."

The rail transit systems of Los Angeles were singled out by the author as the showcase examples of successful enterprises which he claims were eliminated by the machinations of GM. It turns out that they were

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eliminated by economics. Their demise resulted from the same economic problems that affected their counterparts across the country and had nothing whatever to do with any plot hatched by General Motors. */

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*/ Compare this history with the testimony given by the accusing author at the Hearing in response to the questioning of Senator Hruska:

> "Senator Hruska. [Referring to the map of the Pacific Electric System reproduced on p. 33] Isn't that wonderful! And yet it wasn't enough. It folded, didn't it?
>
> "Mr. Snell. It didn't fold, Senator, it was acquired by General Motors and destroyed.
>
> * * *
>
> "Senator Hruska. And what did they put in its place?
>
> "Mr. Snell. The product they manufactured, GM buses using Standard Oil of California fuel and running on Firestone tires.
>
> Senator Hruska. And was that more profitable than the electric system?
>
> Mr. Snell. To the companies that manufactured General Motors buses and --" (Transcript of Hearings, Feb. 26, 1974, at pp. 127-28)
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New York

"American Ground Transport" states that in 1936 General Motors "combined with Omnibus Corp. in engineering the tremendous conversion of New York City's electric streetcar system to GM buses." (p. 30) Placing the responsibility for this conversion on General Motors is vital to the author's argument because he claims:

> "The massive conversion within a period of only 18 months of the New York system, then the world's largest streetcar network, has been recognized subsequently as the turning point in the electric railway industry." (p. 30)

Again, let us look at the facts.

The implication that the impetus for the 1936 conversion came from General Motors is without foundation.* Public dissatisfaction with the streetcar had been mounting for years. As early as 1920, Grover A. Whalen, then Commissioner of Plant and Structures in New York City, was reported to have expressed the following views:

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* It is not true, as the author of "American Ground Transport" states (p. 30) that, as a result of stock and management interlocks GM was "able to exert substantial influence over Omnibus", until well after motorization was completed. GM had no supply contract with Omnibus, no financial investment in the company and no common directors in 1936.

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> "The outstanding fact . . . is that the motor bus is more economical than the street car, the fundamental reason being that the only capital charge is for the bus and garage. . . .
>
> * * *
>
> ". . . . the bus not only stands up against the trolley car but it literally runs away from it, that is, it gives better and quicker service. In fact, buses have cut the running time between given points from 20 to 50 per cent . . . .
>
> * * *
>
> "In concluding his remarks, Commissioner Whalen emphatically said that the trolley car can be relegated to the limbo of discarded things and that the motor bus is the vehicle best adapted to the requirements of surface transportation in cities." (Electric Railway Journal, Jan. 17, 1920, at 146-47)

In 1930 a representative of a leading civic organization stated:

> "The substitution of motor buses for streetcars in mid town and downtown Manhattan has been for years the aim of practically every civic organization within the borough but heretofore operating, financial, franchise and political complications have stood in the way." (Mason, "Buses to Replace Trolleys," Little Old New York, Sept.-Oct. 1930, at 25)

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In 1929 ten civic organizations had petitioned e Board of Estimate and Apportionment "for the removal streetcar lines from Eighth Avenue and Central Park st and the substitution of bus lines." Estes, "Does nhattan Need the Surface Cars?", Harlem Magazine, n. 1929, at 13

Operating companies and elected public officials re also supporters of the conversion from trolleys to ses. Mayor Fiorello LaGuardia said:

> "[B]us operation in place of trolleys is not only a boon to the citizenry of New York in that it provides faster, more flexible and more comfortable transportation but also brings with it other gratifying attributes. It reduces noise, keeps traffic moving faster, and eliminates the danger of wet rails when the weather is bad . . . . Madison Avenue, since the substitution of buses for trolleys, has become one of the show boulevards of the world. Real estate values have been enhanced and no one is mourning the passing of the streetcar." (The Bus Comes Back to Broadway 2 (1936); emphasis supplied)

atements of this kind demonstrate that conversion was vocated long before GM appeared on the scene and by

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people who could not possibly be accused of participating in some plot against the welfare of the transit-riding public.

The superiority of buses is indicated by the fact that each conversion from streetcars had to run a gauntlet of approvals by the New York City Board of Estimate, the New York City Board of Transportation, the New York State Transit Commission and the New York State Public Service Commission. Copeland, "Seeking a City Bus System; Failure of Efforts to Date," N. Y. Times, May 15, 1930. In each such conversion the approval of those four regulatory agencies was given after consideration of all the arguments presented by both bus and streetcar proponents at public hearings. Approval of each such conversion was granted because of the belief, as stated by William G. Fullen, then Chairman of the Transit Commission, that "the substitution of the up to date flexible motor bus for the heavy fixed rail trolley . . . will prove of great benefit to the people of this City and particularly, to the travelling public." The Passing of New York's Pioneer Street Railway 3 (1935). As Mr. Fullen

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further pointed out, the conviction of the regulatory agencies that buses were superior was shared by the general public. "Statistics show a complete acceptance by the general public and their approval of the change." The Bus Comes Back to Broadway, supra at 3.

If the memories of those who once used the streetcars are not now sufficient to explain why the public favored the bus, the reasons can easily be found in the literature of the time. It was recognized that buses are vastly more flexible:

> "[S]urface traffic conditions no longer can tolerate the presence of street cars. Buses are flexible. They can weave their way in the traffic. They do not block other traffic by taking on and letting off passengers under the wheels of other traffic. They take their passengers at the curb, where timid persons, or persons who cannot 'step lively' by reason of age or infirmity, can board the bus without danger." Mason, supra at 29.

It was recognized that streetcar operations were suffering from the financial consequences of a loss

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public officials and regulatory agencies in the superiority of the bus. Mayor LaGuardia summarized the attitudes which led New Yorkers to embark on this course when he said as far back as 1936:

> "There will be many changes for the better in New York City this year but I venture to predict that few will be more welcome than the substitution of buses for trolley cars on the Broadway-Seventh Avenue line. . . . [T]he city is now . . . reaching the point where soon its main thoroughfares will have thoroughly modern buses replacing antiquated trolleys." The Bus Comes Back to Broadway, supra at 2.

Three years later, Mayor LaGuardia's attitude remained the same:

> "Removal of the remaining obsolete and traffic-obstructing trolley lines from 42nd St. and other congested thoroughfares in Manhattan and the Bronx was reported today by Mayor LaGuardia to be in sight.
>
> * * *
>
> "'This plan,' said the Mayor, 'provides for a complete substitution of modern, up-to-date buses during a period of years on all trolley lines in the Third Ave. system within the city.'"
>
> * * *

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> in view of our short-haul business." (McQuistion, "Third Avenue Transit Starts Reconversion", Bus Transportation, Dec. 1946, at 41-42)

The same source cited by the author in his reference to the rapid conversion of the New York system (p. 30, n. 198) summed up the financial advantages of bus systems succinctly:

> ". . . The average large bus can be operated for about four-fifths of the cost of running a trolley. The ratio of capital investment to annual gross revenue greatly favors the bus. You can install a bus line with an investment not much greater than the first year's gross take, or about a dollar-for-dollar ratio. . . . When New York City Omnibus threw nearly 800 busses into the dying arteries of New York Railways the over-all gain in revenue passengers as against the trolley (April 1935, against April, 1936) was almost 62 percent." ("Yellow Truck & Coach," Fortune, July 1936 at 110)

The fact that the conversion of New York continued unabated until the last streetcar disappeared in 1957 is evidence by itself of the continued belief of civic associations, operating companies, elected

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public officials and regulatory agencies in the superiority of the bus. Mayor LaGuardia summarized the attitudes which led New Yorkers to embark on this course when he said as far back as 1936:

> "There will be many changes for the better in New York City this year but I venture to predict that few will be more welcome than the substitution of buses for trolley cars on the Broadway-Seventh Avenue line. . . . [T]he city is now . . . reaching the point where soon its main thoroughfares will have thoroughly modern buses replacing antiquated trolleys." The Bus Comes Back to Broadway, supra at 2.

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>
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"Removal of the B.M.T. trolley lines in Brooklyn is part of the Mayor's rapid transit unification plan, which is scheduled to go into effect early next year." (N.Y. World Telegram, Aug. 21, 1939)

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Oakland

The City of Oakland, which is listed as one of the cities whose conversion to bus transit is attributed to GM (p. 32), assumed a particular significance at the recent Hearings because the basic theme was amplified by the leadoff witness, the Mayor of San Francisco. He also attributed the conversion of the Oakland "Key System" to General Motors and added, in an accusation that understandably captured the attention of the media, that General Motors was responsible for delay and excess cost in the construction of the Bay Area Rapid Transit System (BART).

Relying on the fact that National City Lines had acquired the "Key System" in 1946, he testified as follows:

> "Then in 1954, that is eight years after their acquisition, at a time when we began to talk seriously in San Francisco about building a BART system, they announced their intention of abandoning the rail system, electric rail system across the bridge, abandoning it.
>
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> "It is very difficult to escape the inference in the light of the total context that they did this for the very purpose of slowing up and making impossible the development of our BART system, our Bay area rapid transit system
>
> "Nevertheless, regardless of the motive, the fact is clear. They pulled up the tracks. Now in BART we have had to spend $200,000,000 to create the same corridor in the form of a tube on the bed of the Bay." (Transcript of Hearings, Feb. 26, 1974, at p. 27)

The short and simple response to this accusation is that, whatever National City Lines may or may not have done in the 1950's, it has nothing at all to do with General Motors. All of GM's supply contracts with, and investments in National City Lines were terminated in 1949.*/ United States v. National City Lines, 134 F. Supp. 350, 357 (N.D. Ill. 1955) It might be worthwhile, however, to look briefly at the Key System since it provides one more illustration of the real reasons for the discontinuance of rail systems.

The Key System's problems were those which by now should sound familiar. Initially, both the Key System and the Interurban Electric Railway Co. operated over the

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* The author's claim that GM "continued to acquire and dieselize electric transit properties through September of 1955" (p. 35) is not true.

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Oakland Bay Bridge tracks. In 1940 Interurban Electric was permitted by the California Railroad Commission to abandon its bridge rail service because of losses which Interurban described as "no longer endurable." (Decision No. 33445, dated Aug. 24, 1940) Key continued to operate bridge rail services, but it also experienced losses. See, e.g., San Francisco Examiner, Dec. 12, 1956.

Prior to 1946 when National City Lines obtained an interest in the Key System, the Oakland City Council had approved a number of contracts calling for the removal of tracks and repaving of streets. See, e.g., Resolution No. 15333, dated Nov. 13, 1945, approving four countracts reciting that substantial portions of the tracks are in need of repair and are no longer useful, and that it is in the "best interest of the City and Company that operation on the lines hereinbefore mentioned be converted to motor coach or trolley coach lines." Prior to 1946, the Key System also operated buses over the Bay Bridge. See, e.g. Railroad Commission Decision No. 33891, dated Feb. 11, 1941

Any rail abandonments and conversions which

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were made while the Key System was a National City Lines property were, of course, carried out only with the approval of governmental authorities. Moreover, the decision to scrap the tracks across the Bay Bridge was also a governmental one.

As early as 1947 a joint Army-Navy study team, designated by the United States Congress, concluded that a subway was the "best solution" to the cross-bay transportation problem. Rail passage across bridges was disfavored because structural considerations severely limited the speed. Report, Jan. 25, 1947, at pp. 1-5, 61-62

Subsequently, BART was established. In 1956 the Executive Secretary of BART told the State Public Utilities Commission that the "best plan" for rapid transit service between Oakland and San Francisco called for the construction of an underwater tube. Oakland Tribune, May 18, 1956. The alternative "minimum plan" of running trains across the bridge aroused opposition because it would require elevated lines on city streets. San Francisco Examiner, Dec. 2, 1957.

In April, 1957, the State Director of Public

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Works and the Chief of the Division of Bay Toll Crossings, reported to the legislature that the existing tracks would have to be replaced, no matter what happened:

> ". . . any plan for leaving the tracks in place and paving over this area would be impractical and would subject the bridge to a serious fire hazard.
>
> ". . . after 18 years of use, the wooden ties are so badly worn they must be replaced if the present railway continues in operation or if a rapid transit system is developed." (Oakland Tribune, April 24, 1957)

The decision of the Key System to convert from rail to bus was specifically approved by public authority. In November, 1957, it was reported:

> "Eastbay traffic and transit problems moved toward solution today in conjunction with the Key System's decision to substitute motor coaches for its transbay train lines.
>
> "Pending final action by the State Public Utilities Commission, which has already granted conditional authority for the move, these developments are imminent:
>
> 1--Reconstruction of the Bay Bridge into an over-water freeway with five widened lanes for one-way vehicular traffic on each deck of the span, as authorized by the State Legislature.

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2--Removal of transbay train tracks from Oakland and Berkeley streets, with restoration of pavement to eliminate the traffic hazards now existing." (Oakland Tribune, Nov. 15, 1957)

This conditional approval was made final early in 1958.

"Final authority for replacement of transbay trains with motor coaches was granted to Key System Transit Lines today by the State Public Utilities Commission.

"By unanimous vote the commission reaffirmed its order of March 12, 1957, and denied a petition asking for reconsideration of that decision.

"The commission provided that the change to bus service should coincide with the start of the State program for revamping the Bay Bridge for all-vehicle use.

"It set July 1 as final deadline for the change." Oakland Tribune, March 11, 1958

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In 1957 the Legislature of the State of California authorized funds for the remodeling of the bridge so that both levels of the bridge could be used for one way streets, with full utilization by vehicles. Cal. Street & Highway Code Sec. 30609. In 1959, in a Declaration of Policy, the Legislature found that "the relief of vehicular congestion on the San Francisco-Oakland Bay Bridge can be obtained most efficiently and at the least cost in public funds . . . through providing an underwater rapid transit tube. . . ." Id. at Sec. 30770

These governmental decisions may or may not have been wise, in the light of hindsight, but that is not the point. The point is that the accusations against General Motors are false. The streetcar tracks were removed long after GM had severed its connection with the local transit company and, in any event, the action was entirely the result of governmental determinations.

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Other Cities

The true facts about the cities of Los Angeles, New York and Oakland, which have been selected as prime illustrations of the author's thesis that the demise of the streetcar was caused by GM, do not support the thesis at all. The same could be said were time and patience available, of other cities throughout the country. We shall round out the demonstration of this point by looking briefly at Kalamazoo and Saginaw, Michigan and Springfield, Ohio, which the author claims were the "first targets" of GM's attempts to motorize city transit systems.

As the statement the author quotes (on p. 30) from GM's former General Counsel indicates, GM formed a subsidiary, United Cities Motor Transit Co., to provide funds to local transit systems for the purchase of buses. The motivation for this action is, however, obscured by the fact that the author has quoted selectively. On the same page as the passage he cites, there appears the following:

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> ". . . For some years street car companies in small urban communities had been losing money and this, coupled with the depression following 1929, had resulted in the depreciation of rolling stock and an inability on the part of streetcar companies adequately to serve the public (CR 171-172) [sic]. The Yellow management thought that, if it built a small bus, a market could be created in the smaller communities where a bus could be operated more economically . . . (CR 771) (Subcommittee on Antitrust & Monopoly, Senate Judiciary Committee, Hearings, Dec. 9, 1955, 84th Cong., 1st Sess. at 3920)

Financial failure, of course, is precisely what spurred the conversion from streetcars everywhere. Buses were not a destructive force; they were largely credited by transit companies with staving off the collapse of many systems which survived.

GM did not invest funds in these systems for the purpose of prompting their change from streetcars to buses; the necessity of that step had already been determined by events. GM provided some capital to mass transportation systems which had nowhere else to turn. This is made clear in the statement by GM's general counsel upon which the author relies (p. 30) but quotes out

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of context. Quoted below is the statement from his report and underlined is the immediately preceding phrase which he has omitted:

> ". . . . inasmuch as it is impossible to raise money through public issue of securities or outside sources to develop motorized transportation, our company should initiate a program of this nature and authorize the incorporation of a holding company with a capital of $300,000 . . ." (Hearings, supra, at 3920)

In each of the three cities listed as "first targets" for GM's effort, the electric street railway companies themselves had already applied for permission to convert from streetcars to buses before GM was on the scene, but there were no funds available. In Kalamazoo, the existing company had given notice that it could not survive as a streetcar company and itself suggested bus service. The city decided to seek bids from other companies. Bus operations were commenced by a new company in which GM had invested a total of $20,000. The rails were disposed of by the receivers for the old company to concerns entirely unconnected with GM. (Kalamazoo Gazette, June 14, 1932; June 10, 1933)

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In Saginaw, Michigan the local transit company, which operated both streetcars and buses, was actually in receivership. It was unsuccessful in obtaining approval to operate buses exclusively and was directed by the federal court in bankruptcy to suspend operations. A bus service was commenced by a new company which at the time had no connection with GM. This new company began its operation with rented buses and only later did it purchase buses from GM. (Saginaw Daily News Oct. 9, 10, 1931

In Springfield, Ohio, the streetcar company had been in receivership for five years! The receiver himself had asked for permission to substitute buses for streetcars. The city manager asked for bids nationally from anyone who could provide an adequate system and the only response was received from a company in which GM later invested a total of $30,000. The streetcar system was abandoned by court order upon application of the city which pointed out "that for a good period of time . . . [it] has operated at a loss and it unlikely that the

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›perty can ever be operated at a profit." The
›stitute bus operation proved to be profitable from
ı start and less than a year later local interests
ıght out GM at a profit. (Springfield Daily News
ş. 1, Aug. 30, Sept. 13, Oct. 31, Dec. 6, 1933)

These tales of failure from the early Depression
ırs have a poignant ring. Change is not always painless
ı a certain nostalgia for the past is understandable.
ıt is inexcusable, however, is the author's attempt to
rrite history in order to blame General Motors for the
ıtruction of otherwise healthy and viable systems. What
›pened in Los Angeles, in New York, in Oakland, in
lamazoo, in Saginaw and in Springfield happened every-
ere. The demise of the streetcars has been described
›quently by a writer who sincerely regretted their
ısing:

> ". . . Somewhat like a moribund whale, the trolley industry was so large that it kept growing even after it had begun to die. Passenger riding kept inching slowly upward until 1923, when the total hit 14 billion rides annually. Then riding too began to slope steeply downward.
>
> 58

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> "Buses were still rare at the beginning of the decade. In the whole country less than seventy-five buses were operated by street railways in 1920. But as tidings spread that buses could cut losses and even actually earn money, they came on in a thundering stampede." (Rosome, Trolley Car Treasury 175-76 (1956)

General Motors did not generate the winds of change which doomed the streetcar systems; it did, however, through its buses, help to alleviate the disruption left in their wake. Times were hard and public transportation systems were collapsing. GM was able to help with technology, with enterprise and, in some cases, with capital. The buses it sold helped give mass transportation a new lease on life which lasted into the postwar years. Then rising incomes and further dispersion into the suburbs both required and enabled people to rely more heavily on personal transportation. If General Motors had really been interested in destroying mass transportation and creating complete dependence on the automobile, it would hardly have put forth such energetic efforts to develop and promote the sale of buses.

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GM's experience as a manufacturer of other kinds of transportation equipment did not create a destructive "conflict;" it conferred a positive benefit on the entire community.

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IV

THE PAPER ON "AMERICAN GROUND TRANSPORT" IS REPLETE WITH ADDITIONAL FALSE AND DECEPTIVE STATEMENTS

As was stated at the outset, we do not intend to burden this Subcommittee with a comprehensive list of false or misleading statements in "American Ground Transport;" the most significant ones, upon which its entire argument proceeds, have already been identified. We would, however, like to refer briefly to a few representative misstatements which demonstrate, if the previous discussion has not sufficiently done so, that this entire document is unworthy of the Subcommittee's consideration.

Some statements are simply untrue. On page 10, for example, the document states that all four domestic auto manufacturers maintain "separate nationwide networks of franchised dealers, each of which deals exclusively in one make of automobile." This is just not so and the error can be demonstrated by simple observation. In fact, of 13,150 GM dealers existing in December, 1973, 2,200 held the franchise of at least one other manufacturer.

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On page 11, it is stated:

> "The 270-page bill of particulars filed by the U.S. Department of Justice on January 2, 1973 in the fleet buyers litigation contained documented allegations that the Chairmen of GM and Ford routinely participated in 'summit meetings' whose purpose was to fix prices on automobiles."

Wholly apart from the inherent deception involved in citing unproven Government charges without mentioning that the defendants had been acquitted of them by a jury, the statement is false. Only <u>one</u> of the pages from the Bill of Particulars cited to support the statement even mentions "summit meetings" and they are therein described, not as meetings "whose purpose was to fix prices," but as meetings "to discuss future negotiations for labor contracts." (p. 135) The Government never contended that these labor meetings were illegal; it argued only that they could conceivably have provided an "opportunity" for improper price discussions. As to this kind of purely speculative "opportunity" and any others which the Government lawyers could think of, the Bill of Particulars states:

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> "The Government cannot specify any direct communications between representatives of GM and Ford in which there was a mention made of the elimination or reduction of price concessions." (p. 133)

The Subcommittee has not been exposed to an innocent mistake here; it has been victimized by a deliberate effort to mislead.

Other statements appear to have been deliberately expressed in a way which leaves the reader with a totally false impression. For example, on page 10 it is stated that

> "there are some indications that the Federal Government has sought to protect American automakers from competition with imports by imposing 'voluntary' automobile quotas on foreign governments. . . ."

The isolated news story referred to in support for this statement (fn. 57) might literally be termed an "indication," but the fact is--as the author must well know-- that the auto industry has historically been a staunch advocate of free trade and that no quotas on imported automobiles have ever been imposed.

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Take another example. On page 13, it is stated:

> "According to a recent estimate by the Federal Trade Commission, 9 million purchasers of domestic 1972 automobiles paid $2.1 billion, or more than $230 per car, in shared monopoly overcharges. . . ."

There has been no such estimate by the Federal Trade Commission. The author is apparently referring to a rumored study by the FTC's economics staff, not by the Commission. The Commission has never seen fit to release this so-called "estimate;" all the information about it is based on leaked reports about its final conclusions. Since the underlying document is unavailable, one cannot critically examine its basic assumptions, but they must have serious flaws because the conclusion is absurd.

This is bad enough, but the deception is compounded on page 25, where the author states that "monopoly overcharges" on 1972 trucks are "estimated at more than $600 million." This "estimate" is the author's own calculation, based on the application to trucks of the same percentage "overcharge" apparently calculated for cars in the mysterious "estimates" by some FTC staffers.

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Another example: on page 37 the author states that "several cities led by New York have filed a lawsuit charging that General Motors sets higher-than-competitive prices for its diesel buses and receives millions of dollars annually in monopoly profits." The complaint to which he refers purports to be a class action which bears his name as counsel. Thus far no cities other than New York have "filed" anything--either to join in the action or bring suit on their own. The author's source, thus, is once more himself--and his statement is inaccurate.

Still another example; on page 38 the author makes the following extraordinary statement:

> "By 1972, in a move which possibly signified the passing of bus transportation in this country, General Motors had begun converting its bus plants to motor home production."

Since he has devoted the previous ten pages to deploring GM's conduct of its bus business and since he recommends that GM be ousted from the business altogether, the

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author's apparent distress is puzzling. It is also unfounded. In his haste to reach a sweeping conclusion, he neglected to find out that no "transit coaches" had been built in the GM plant re-equipped for motor homes for at least 25 years. Moreover, the implicit assumption that GM is the only company that sells buses in this country is, of course, totally incorrect.*

*Among the companies selling buses in this country today are the Flxible Co. (a division of Rohr Industries); AM General Corp. (a subsidiary of American Motors); Eagle International, Inc.; Motor Coach Industries, Inc. (a subsidiary of Greyhound); Highway Products and Prevost Car Co. Additional companies have recently announced plans to enter the business.

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CONCLUSION

The major thesis of "American Ground Transport" is that General Motors has had a destructive impact on mass transportation in this country. This thesis essentially rests on the claim that railroads only bought diesel engines because General Motors forced them to and the claim that streetcars disappeared only because General Motors was seeking a market for its buses. Both claims have been demonstrated to be untrue.

Because these false and damaging claims have been associated with the Hearings of this Subcommittee and submitted to it by a member of its staff, they have attracted far more attention than they otherwise would have done. Accordingly, we find it necessary to urge, as set forth in the Introduction, that this Subcommittee place an immediate moratorium on further distribution of the document which asserts them until the Subcommittee is in a position to distribute, under the same cover, this Reply by General Motors.

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WASHINGTON POST February 27, 1974

A

GM, Ford Units Criticized on WWII Role

2-27-74 WP

By Morton Mintz
Washington Post Staff Writer

Foreign subsidiaries of General Motors Corp. and Ford Motor Co. became principal suppliers of armored half-tracks and other materiel to the Nazis in World War II and, after hostilities ended, collected reparations from the U.S government for bombing damage to Axis war plants, the Senate antitrust subcommittee was told yesterday.

The testimony came from subcommittee assistant counsel Bradford C. Snell, who made a five-year study of the auto and ground transportation industries. His sources included the U.S. Strategic Bombing Survey, the Justice Department, the Foreign Claims Commission and declassified military documents.

In Detroit, GM said Snell's charge that it aided the Nazi war effort is "false." After the outbreak of war in 1939, the company said, "a German board of managers appointed by the Nazi government assumed responsibility for the daily operations of Opel," Germany's largest auto firm, which GM had acquired in 1929.

After Germany declared war on the United States in December 1941, the Nazis controlled Opel through "a German alien enemy custodian," GM said.

In Dearborn, Ford said, "It should be obvious that the policies and direction of any company in Germany, regardless of its ownership immediately before and during World War II, were dictated by the German government.

"Ford Motor Co had no participation or financial results of Ford of Germany while the United States was engaged in World War II," said John A. Banning, Fords executive director for overseas planning.

"It seems to us that events of more than 30 years ago are irrelevant to any judgment on the role of international corporations in the vastly different world of today," Banning said.

Subcommittee chairman Philip A. Hart (D-Mich.) heard Snell and San Francisco Mayor Joseph L. Alioto at the opening of a four-day hearing on whether the auto and ground transportation industries should be restructured.

GM sent a protest that the hearings deal with GM's bus business, which is the target of a pending anti-monopoly suit brought by the City of New York. It is "improper to inquire into matters that are before the courts," GM vice president Robert F. Magill said.

Hart, while promising to do his best to protect GM's right to a fair trial, said the hearings—which affect the industry at the heart of his own state's economy—must proceed. Never could a congressional inquiry into anti-competitive conduct in any industry be held without encountering simultaneous litigation, he said.

Snell said he feels some ambiguity about the roles and loyalties of multinational corporations. In the current atmosphere of detente, for example, he said, GM may well be serving American interests if it builds a truck plant in Siberia. Moreover, Sen. Roman L. Hruska (R-Neb.) said, U.S.

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MAYOR JOSEPH L. ALIOTO SEN. PHILIP A. HART
Hearings open on the structure of the auto industry.

foreign policy before World War II encouraged American corporations to invest abroad and bring dividends home.

But, Snell told Hruska, the auto industry was "uniquely convertible" to war, and GM was so big that it became "the essential ingredient" of both the Allied and Nazi war efforts.

In the study, Snell said that GM and Exxon subsidiaries, at "the urgent request of Nazi officials" in 1933 and 1936, had joined German chemists in erecting plants to supply the mechanized German armies with scarce synthetic leaded fuel.

In 1938, he said, GM's chief for overseas operations "was awarded the Order of the German Eagle (first class) by Chancellor Adol Hitler," largely for having agreed to build a heavy-truck facility at Brandenburg, which was relatively invulenerable to air attack.

Also in 1938, Snell said, the same award went to a Ford executive for opening a truck plant with the "real purpose," according to U.S. Army Intelligence, of making "troop transport-type vehicles" for the Wehrmacht.

After war broke out in 1939, GM converted its 432-acre Opel plant at Russelsheim to assembling propulsoin systems for half of the Luftwaffe's most important bombers, the Ju-88s, Snell said. The same facility also assembled 10 per cent of the jet engines for the Me-262, the world's first operational jet figher. GM's plant in the United States. Then were building conventional aircraft engines, Snell said.

GM and Ford subsidiaries built the bulk of Germany's armored "mule" three - ton half-tracks and medium- and heavy-duty trucks, Snell said.

He said his point was not to attack auto executives, but to show that the industry's monopolistic structure "is incapable of behaving and performing satisfactorily." Mayor Alioto, a leading antitrust trial lawyer, put it another way: "What's good for General Motors is not necessarily good for the country." They urged breaking up the big auto companies through new legislation.

Both men charged that GM, seeking to maximize profits, had conspired, starting in the 1920s, with oil, tire and highway interests to make the United States almost totally reliant on autos and trucks. The destruction of electric street transit systems in 51 cities was one result, Snell said.

Alioto detailed "the terrifying power of the automobile monopoly" in destroying the electrified system that once linked San Francisco and other bay-region cities.

GM called Snell's accusations about its role in the demise of electric urban transit systems "untrue."

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Riverside, Calif.
Press
(Ev. & Sat.)
FEB 25 1974
Mass. R.C.B. Est. 1868

GM accused of buying, then scrapping Southern California's old mass transit

1347

General Motors deliberately bought up and then scrapped more than 100 "efficient, low polluting" electric mass transit systems including Southern California's "Big Red," between 1936 and 1950 to create a market for the company's diesel buses, according to a new study.

And one of the company's biggest victims was the Pacific Electric system, nicknamed "Big Red," in Southern California says a Senate antitrust subcommittee staff member.

The committee begins hearings Tuesday on restructuring the auto and ground transportation industries.

Patricia Bario, a subcommittee staff member, said the study proves that GM bought up electric transit systems, scrapped the trolleys and tore up the tracks, and substituted diesel buses that were "much less attractive to the public than the smog-free electric trolleys had been."

This not only gave GM a market for its diesel buses, said Miss Bario, it also drove commuters away from public transit and forced them into private cars.

"This was apparently a conscious decision on the part of GM. It was a conscious decision on their part to tear up efficient, low-polluting electrical systems to make a market for their cars and buses.

"Nowhere was the ruin from GM's motorization program more apparent than in Southern California," said Bradford C. Snell, author of the study and an assistant counsel to the Senate antitrust subcommittee.

The Pacific Electric was the largest interurban-electric transit system in the world.

Snell said that GM and Standard Oil of California, along with other automotive-oriented companies, formed a holding company called National City Lines to buy and scrap electric rail systems.

In 1946, he said, it began to buy and scrap parts of Pacific Electric, motorizing downtown Los Angeles, which had had an efficient streetcar system.

"The noisy, foul-smelling buses turned earlier patrons of the high-speed rail system away from public transit and, in effect, sold millions of private automobiles," said Snell in the study, which was financed by the Stern Fund of New York.

Miss Bario said the study recommends that GM be stripped of its interest in buses and locomotives "since it has a basic conflict of interest."

Big Red: A victim of General Motors?

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B

The Crescent-News, Monday, February 25, 1974 Defiance, Ohio

C

Report Charges GM Electric Line Takeover

L.A. Times - Washington Post
Special C-N Wire Service

WASHINGTON — General Motors played a dominant role in destroying more than 100 electric surface rail transit systems in 45 cities — including Baltimore, Philadelphia, New York, St. Louis and Los Angeles — between 1932 and 1964, the author of a new study says.

"Nowhere was the ruin from GM's motorization program more apparent than in southern California," says Bradford C. Snell, who will testify Tuesday at the opening of a four-day Senate antitrust subcommittee hearing on re-structuring the auto and ground transportation industries.

That region was served 25 years ago — when it was smog-free — by Pacific Electric, the world's largest electric railway system, Snell says in the 169-page study, which was financed by the Stern Fund of New York.

Pacific Electric was a $160 million enterprise with 1,000 trains that annually carried 80 million passengers through 35 incorporated cities.

Snell says the destruction of the system was accomplished by National city Lines (NCL), a holding company formed in '36 by GM and suppliers of products used by buses, including Standard Oil of California (SOCAL) and Firestone Tire.

They gave NCL more than $9 million by 1952 to convert 16 states to GM buses. The bus lines then were sold to operators who were required to sign a contract forbidding purchases of new equipment "using any fuel or means of propulsion but gas."

In 1932, GM and SOCAL formed an affiliate of NCL that began buying and scrapping electric rail systems in Fresno, San Jose and Stockton; in 1940, it began to acquire and scrap portions of Pacific Electric, finally motorizing the downtown heart of Los Angeles.

"The noisy, foul-smelling buses turned earlier patrons of the high-speed rail system away from public transit and, in effect, sold millions of private automobiles, Snell says.

Largely as a result, this city is today an ecological wasteland: The palm trees are dying of petrochemical smog; the orange groves have been paved over by 300 miles of freeways; the air is a septic tank into which 4 million cars, half of them built by General Motors, pump 13,000 tons of pollutants daily."

"Furthermore, a shortage of motor vehicle fuel and an absence of adequate public transport now threatens to disrupt the entire auto-dependent region."

Now an assistant counsel to the subcommittee, Snell says his inquiry into "the social consequences of monopoly" demonstrates that "excessive economic concentration can restructure society for corporate ends."

In case of American ground transportation, Snell contends, GM, Ford and Chrysler re-shaped it by eliminating competition among themselves, securing control over rival bus and rail industries, and the maximizing profits by substituting "large, gas-guzzling cars and trucks" for trains, streetcars, subways and buses.

The study, documented with 300 citations, some to GM sources, says that in 1932, the corporation formed a subsidiary, United Cities Motor Transit with the sole function of buying electric rail transit systems, converting them to GM buses and finally re-selling them to operators who would buy replacement buses only from GM.

In 1936, following protests by the American Transit Association, GM abolished the subsidiary, but then, joined by SOCAL and Firestone, formed National City Line.

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D

Cleveland Press - February 25, 1974

Big 3 wrecked mass transit for auto profit, study says

WASHINGTON — (UPI) — A student of monopoly power charged today the automakers have used their economic muscle to take over and destroy mass transit in this country — leaving Americans especially vulnerable to the gasoline shortage.

In testimony prepared for the Senate Anti-Trust Subcommittee, Bradford C. Snell called for a law reorganizing the Big Three automakers into a group of competing auto, truck and bus firms. He said car makers find big, gas-guzzling cars so profitable they are reluctant to produce any other form of transportation.

Snell is author of "American Ground Transport," a five-year study of the auto industry financed by the Stern Foundation, and is assistant counsel to the Senate subcommittee. Chairman of the committee is Sen. Philip A. Hart of Michigan, home state of the Big Three car firms.

Snell's charge was echoed by Mayor Joseph L. Alioto of San Francisco, an anti-trust lawyer for 25 years.

Said Alioto: "There is much evidence to prove the premise that General Motors has been willing to go to almost any length either to eliminate or control all competitive forms of ground transportation—buses, locomotives, streetcars and electric buses—so the automobile remains number one."

Over the years, he charged, GM, through its subsidiaries, took over 46 streetcar systems in 45 cities "and converted all to smog-producing bus operations."

Snell argued the Big Three are "locked in to big car production."

"They have invested billions of dollars in plants geared to the production and distribution of one special type of vehicle: large, gasoline-powered automobiles," he said. "They are reluctant, therefore to adapt to technological changes or realities such as the energy shortage which would compel them to scrap their facilities."

Since oneb us can replace 35 cars, one streetcar 50 cars and one train 1000 cars or 150 trucks, GM has a bias toward cars —its revenues are 35 times greater if it sells cars and trucks rather than locomotives, Snell said.

As an example of GM's "motorization" of a city, he pointed to Los Angeles, a city of lush palms, fragrant orange groves and ocean-enriched air 35 years ago, and then served by "the world's largest electric railway network."

Snell said GM "and allied highway interests' took over local transit in the 1930's, and replaced electric trains with "noisy, foul-smelling buses" which convinced people to switch to cars, 4 million of them—half built by GM—which now emit 13,000 tons of pollutants a day.

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E

Monday, Feb. 25, 1974 THE WASHINGTON POST

GM Said to Ruin City Rail Systems

By Morton Mintz
Washington Post Staff Writer

General Motors played a dominant role in destroying more than 100 electric surface rail transit systems in 45 cities —including Baltimore, Philadelphia, New York, St. Louis and Los Angeles—between 1932 and 1956, the author of a new study says.

"Nowhere was the ruin from GM's motorization program more apparent than in Southern California," says Bradford C. Snell, who will testify Tuesday at the opening of a four-day Senate Antitrust Subcommittee hearing on restructuring the auto and other ground transportation industries.

That region was served 35 years ago—when it was smog-free—by Pacific Electric, the world's largest electric railway system, Snell says in the 102-page study, which was financed by the Stern Fund of New York.

Pacific Electric was a $100 million enterprise with 3,000 trains that annually carried 80 million passengers through 56 incorporated cities.

Snell says the destruction of the system was accomplished by National City Lines (NCL), a holding company formed in 1936 by GM and suppliers of products used by buses, including Standard Oil of California (SoCal) and Firestone Tire.

They gave NCL more than $9 million by 1950 to convert 16 states to GM buses. The bus lines then were sold to operators who were required to sign a contract forbidding purchases of new equipment "using any fuel or means of propulsion but gas."

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"Largely as a result, this city (Los Angeles) is today an ecological wasteland: the palm trees are dying of petrochemical smog; the orange groves have been paved over by 300 miles of freeways; the air is a septic tank into which 4 million cars, half of them built by General Motors, pump 12,000 tons of pollutants daily.

"Furthermore, a shortage of motor vehicle fuel and an absence of adequate public transport now threatens to disrupt the entire auto-dependent region."

Now assistant counsel to the Antitrust Subcommittee, Snell says his inquiry into "the social consequences of monopoly" demonstrates that "excessive economic concentration can restructure society for corporate ends."

In the case of American ground transportation, Snell contends, GM, Ford and Chrysler reshaped it by eliminating competition among themselves, securing control over rival bus and rail industries, and then maximizing profits by substituting "large, gass-guzzling cars and trucks" for trains, streetcars, subways and buses.

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THE DETROIT NEWS—Wednesday, Feb. 27, 1974

GM, FORD DENY HELPING NAZI WAR EFFORT

By GEORGE KENTERA
News Washington bureau

WASHINGTON — General Motors Corp. has been accused of — and has denied — cooperating with the Nazi war effort during World War II.

The corporation also was accused of undermining more than 100 electric rail and electric bus transit systems in 51 cities.

These charges were made yesterday against GM — and the charge of cooperation with Nazi Germany was also leveled against the Ford Motor Co., which also denied it — as the Senate Anti-trust and Monopoly Subcommittee opened hearings on proposals to break up the big automotive manufacturers.

The charges came from Bradford C. Snell, now a staff counsel to the subcommittee that is headed by Sen. Philip A. Hart, D-Mich. Snell is the author of a five-year study, entitled "American Ground Transport," that was financed by the Stern Fund of New York.

Snell offered the subcommittee a proposal to restructure the Big Four auto companies — GM, Ford, the Chrysler Corp., and the American Motors Corp. — into many competing companies, perhaps as many as 44 assembly companies alone.

A second restructuring proposal was put to the subcommittee today by Lawrence J. White, assistant professor of economics at Princeton University who made his study as consultant to the subcommittee.

White's plan would:

- Leave American Motors alone.
- Break up Chrysler into a Dodge-Chrysler firm and a Plymouth firm.
- Split Ford into two firms, a Lincoln-Mercury firm that would also include the full-sized Ford car and a Fairlane firm that would make the Torino, Mustang, Maverick, Pinto and Thunderbird.
- Divide GM into four firms. The four would be a Pontiac-Cadillac firm, an Oldsmobile-Buick firm, a company producing the full-size Chevrolet, and a firm making such other Chevrolet cars as Corvette, Chevelle, Nova, Camaro and Vega.

Snell's main argument — in which he received support from Mayor Joseph L. Alioto of San Francisco and Sen. John V. Tunney, D-Calif. — was that the auto industry was noncompetitive, that it could not respond to society's needs, that GM's "interlocking control of auto, truck, bus and locomotive production" had contributed to the decline of the country's rail and bus systems and that restructuring the industry was essential to achieving "a balanced system of transportation."

In the course of his argument, he referred to alleged GM and Ford cooperation prior to World War II and during the war with Nazi war-making plans, cooperation which he said brought prewar Nazi medals to GM and Ford representatives.

SEN. ROMAN L. HRUSKA, R-Neb., the ranking Republican on the subcommittee, said that countries other than Germany had made use of plants during the war which were owned by enemy nations. One of them, he said, was the United States, which in World War II took over German firms such as the General Aniline & Film Corp.

"Is it bad only if General Motors did it?" he asked.

"No other corporation was in the position of being an essential ingredient in both (Allied and Nazi) war efforts, and I think that is a dangerous situation," said Snell.

Hruska replied that in prewar years, as today, American policy was to expand trade with other countries.

"If you inveigh against General Motors, you have to inveigh against the system that put them there," he said.

The GM office in Washington said yesterday: "The statement that General Motors assisted Nazi Germany's war effort is false. A German board of managers appointed by the Nazi government assumed responsibility for the daily operations of Opel (the plant) after Sept. 3, 1939. After the United States and Germany were at war, the operation was under control of a German alien enemy custodian."

THE GM STATEMENT did not address itself to allegations in the Snell study that Alfred P. Sloan Jr., GM board chairman, and three GM vice-presidents served on the GM-Opel board of directors throughout the war and that "communications as well as material reportedly continued to flow for the duration of the war between GM and Ford plants in Allied countries and those in Axis territories."

John A. Banning, executive director of overseas business planning for Ford in Detroit, also issued a statement on the Snell charges, saying: "It should be obvious that the policies and direction of any company in Germany regardless of its ownership in the years immediately before and during World War II were dictated by the German government. Ford Motor Co. had no participation in the operation or financial results of Ford of Germany while the United States was engaged in World War II.

"It seems to us that events of more than 30 years ago are irrelevant to any judgment on the role of international corporations in the vastly different world of today."

OF SNELL'S CHARGE that GM, in order to sell more diesel buses, systematically undermined electric-powered mass transportation in 51 cities — including Jackson, Kalamazoo, Pontiac and Saginaw — GM replied:

"The accusations in the Snell report to the Senate Anti-trust Subcommittee are untrue. GM will refute them in detail during the trial of the pending case in New York City. Mr. Snell is one of the lawyers who was instrumental in bringing the lawsuit in New York City making these same claims."

That suit — the City of New York vs. GM —, is pending in the Federal Court for the Southern District of New York. The complaint alleges that GM is attempting to monopolize the manufacture and sale of city buses and that its acquisition back in 1925 of the Yellow Truck and Coach Co. violated the Anti-trust Act.

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THE ARGUS (Fremont-Newark, California)
February 27, 1974

G

Bradley says GM should be split up

LOS ANGELES (UPI) — Charging that General Motors has a "near monopoly" on U.S. production of buses and diesel locomotives, Mayor Tom Bradley said Tuesday that the giant corporation should be stripped of its divisions that manufacture such vehicles.

The mayor said that what is good enough for General Motors is not always good for the country, and added that he feared a conflict of interest impact on public transit as long as GM has a "near monopoly on production of buses.

Bradley said GM has a long history of acting contrary to the public interest. He said the company tried to drive out electric rail transit systems in the 1930s and 1940s and also allowed its German subsidiary to manufacture aircraft and trucks for the Nazis during World War II.

Although not specifically charging thezaisb/orporation was deliberately slowing bus and rail transportation in the U.S., Bradley said that only 3,000 buses would be manufactured in America next year. Of course, he added, the Southern California Rapid Transit District will need 1,400.

Bradley cited a recent Washington announcement that over a 20 year period, GM and Standard Oil of California organized a "conspiracy" to "buy up about 200 city electric transit systems and make Los Angeles and 44 other American cities more auto and bus dependent for daily transportation needs."

Even after GM and Standard were convicted of criminal conspiracy by a Chicago federal jury in 1949, Bradley said, GM still continued to acquire and dieselize electric transit systems through September 1955.

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Los Angeles Times - February 27, 1974

Breakup of GM's Bus and Rail Operations Urged by Bradley

Mayor Says Firm Controls Manufacture of Mass Transit Vehicles, Asks Congress to Reorganize 'Near Monopoly'

Los Angeles Mayor Tom Bradley called on Congress Tuesday to break up what he charged was a "near monopoly" by General Motors over U.S. bus and rail transportation.

The mayor's remarks at a Los Angeles news conference were timed to coincide with the introduction of 20 pages of written testimony he submitted at the opening of hearings in Washington, D.C., by a Senate anti-trust subcommittee.

The mayor charged that General Motors, which dominates the manufacture of buses, had restricted competition and hindered technological advances in bus manufacture.

Bradley specifically cited the anticipated requirements of 1,400 new buses by the Southern California Rapid Transit District, and nationwide production of only 3,700 buses last year.

General Motors produces most of the nation's buses, and supplies diesel engines and engine components to the only other two firms engaged in bus manufacturing.

In remarks prepared for the subcommittee, the mayor called on Congress to:

—Reorganize General Motors' bus and rail operations to free them of any possible conflict of interest with the company's automobile operations.

—Encourage the formation of new bus and rail firms to provide competition "necessary for the production of modern passenger and freight transport systems."

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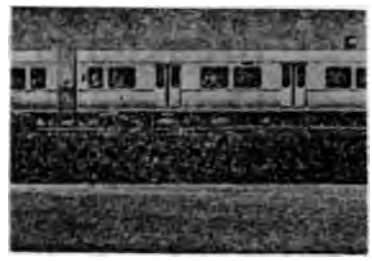
Boston Sunday Globe March 3, 1974

"GM, Ford and Chrysler reshaped American ground transportation to serve own corporate needs."

SNELL REPORT TO US SENATE SUBCOMMITTEE



Report accuses auto industry of stifling mass transit

By Jack Thomas
Globe Staff

By 8 o'clock last Tuesday morning, the traffic on the Southeast Expressway was backed up to East Milton sq., Storrow Drive was clogged with automobiles, and the line of cars on the Tobin Bridge was bumper-to-bumper from the Route 93 intersection back to the toll booths.

Eleven thousand people came into the city by streetcar, 40,000 by rapid transit, 8400 by railroad, 5100 by bus, and 65 by ferry. Despite the crowded highways, the air pollution and the fuel crisis, 48,000 people still came into the city by motor vehicle.

Some chose mass transit, and the city's sorely neglected, sprawling, crawling, public transportation system strained to provide service with inadequate, antiquated, unpredictable trains and trolleys.

For Boston, it was, in short, a typically, troublesome transportation day.

Astonishing report

State public health officials, concerned about air pollution, measured the carbon monoxide in Kenmore Sq. at nine parts per million, or a shade over one fourth of the amount considered to be a serious health threat.

At the same time Tuesday, in Washington, a Senate subcommittee was digesting an astonishing 323-page report which accuses the automobile industry particularly General Motors, of a deliberate campaign to cripple mass transit systems across the nation in order to sell more cars and trucks.

General Motors, Ford and Chrysler, of course, account for 97 percent of the automobiles manufactured in America and 84 percent of the trucks.

But GM also dominates the bus and locomotive industries. GM manufactures 100 percent of the passenger locomotives and 80 percent of the freight locomotives produced in the United States.

Transit breakdown

GM controls only 75 percent of city-bus production, but its only competitor relies on GM for diesel propulsion systems, major engineering components, technical assistance and financing to the extent that it is more a distributor for GM than a competitor.

By monopolizing the automobile, truck, bus and rail industries, the report says, GM had the opportunity to promote the more profitable motor vehicles and to manipulate the gradual displacement of alternative forms of ground transportation.

"GM, Ford and Chrysler reshaped American ground transportation to serve corporate wants instead of social needs," the report said. "This study strongly suggests that a monopoly in ground vehicle production had led inexorably to a breakdown in the nation's ground transportation."

The report was prepared by Bradford C. Snell, a staff counsel

"By 1949," Snell testified, "GM had been involved in the replacement of transit systems with GM buses in 45 US cities."

for the Senate Antitrust and Monopoly Subcommittee, headed by Sen. Philip A. Hart (D-Mich.).

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Snell's report was the most startling testimony in four days of hearings on Hart's proposed Industrial Reorganization Act, which would set up a commission to recommend ways to break up giant corporations that dominate entire industries.

Using 800 footnotes to cite sources of information, Snell carefully traced the development of GM, charging that the company set up subsidiaries, beginning in the 1920s, to buy up or replace urban electric and inter-city electric rail systems with buses or diesel locomotives.

"By 1949," said Snell, "GM had been involved in the replacement of transit systems with GM buses in 45 cities including New York, Salt Lake City, Philadelphia, Oakland, St. Louis, Baltimore, and Los Angeles.

In 1936, GM organized a holding company, National City Lines, whose purpose was to convert the nation's electric transportation systems to GM bus operations.

GM, Standard Oil of California, Firestone Tire and two other suppliers of bus-related products contributed more than $9 million to convert electric transit systems in 16 state to GM bus operations.

There were three steps in the process, the report said: acquisition of the electric rail system, motorization and then resale.

By reselling the properties after conversion, Snell maintained, GM and its allied companies were assured that their capital was continually reinvested in the motorization of additional systems.

"To preclude the return of electric vehicles in the dozens of cities it motorized, GM extracted from the local transit companies contracts which prohibited their purchase of any new equipment using any fuel or means of propulsion other than gas.

"The campaign had a devasting impact on the quality of urban transportation and urban living in America," said Snell.

He cited the example of Los Angeles, which, in 1939, was served by the world's largest interurban electric railway facility, the Pacific Electric System.

The transit company branched from Los Angeles for a 75-mile radius, reaching north to San Fernando, east to San Bernardino and south to Santa Ana. Three thousand quiet, pollution-free electric trains, running on 1164 miles of track, transported 80 million people a year throughout the region's 56 separate cities.

In 1938, according to testimony Wednesday, from Los Angeles Mayor Thomas Bradley, GM, Standard and Firestone organized the Pacific Transit Lines which began to acquire and scrap the Pacific Electric System. Power lines were torn

Aide to Mayor White says results of plan still affect the quality of Boston's mass transit.

down, tracks uprooted and, in place of the street cars, the firms installed GM diesel buses fueled by Standard Oil, said Bradley.

"Today," said Snell, "Los Angeles is an ecological wasteland. The palm trees are dying from petrochemical smog. The orange groves have been paved over by 300 miles of freeways; the air is a septic tank into which four million cars pump 13,000 tons of pollutants daily."

Since 1963, Los Angeles has been trying to raise money to rebuild a rail system. The estimated cost today of constructing a 116 mile rail system — less than one-sixth the size of the original Pacific Electric — is more than $6.6 billion.

The production of motor vehicles, of course, is considerably more lucrative than the production of trolleys, rapid transit, or railroad trains. One trolley can eliminate 35 automobiles. One streetcar, subway or rapid transit vehicle can supplant 50 passenger cars, and a railroad train can displace 1000 cars.

"Given the Big Three automakers' shared control of motor vehicle production, and GM's diversified control of non-automotive transport," said Snell, "it was inevitable that cars and trucks eventually would displace every other competing form of ground transportation."

The campaign was effective.

By 1973, viable alternatives to cars and trucks had all but ceased to exist. There were no producers of electric streetcars, trolley coaches or interurban electric trains. Only two railcar builders, Pullman and Rohr, were definitely planning to continue production. A single firm, General Electric, still manufactured a handful of electric locomotives.

Losing proposition

"There were, of course, a number of factors in this decline," said Snell. "For example, the popularity of motor vehicles due in large part to their initial flexibility, most certainly affected public demand for competing methods of travel.

"On the other hand, the demise of bus and rail forms of transport cannot, as some have suggested, be attributed to the public's desire to travel exclusively by automobile.

"Rather much of the growth in autos as well as trucks," he said, "may have proceeded from the decline of rail and bus systems. In short, as alternatives ceased to be viable, automobiles and trucks became indispensable."

"That kind of policy definitely hurts us in Boston," said Fred Salvucci, Mayor White's transportation adviser. "Even though we've retained our transit system, it's extremely difficult to purchase equipment because the manufacturers of trains and trolleys have been driven out of business.

"We're purchasing streetcars," said Salvucci, "but it takes six years to get them. World War II was won in four years.

"It's also damaging to us because it results in a complete distortion of the role of the automobile in our culture," said Salvucci, "and it's also expensive.

"In the past two years, we've had to spend $5 million repairing streetcars that are obsolete. It's a losing proposition."

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GM's War Ties with Nazis Cited in Anti-Trust Hearing

BY SAUL FRIEDMAN
Free Press Washington Staff

WASHINGTON — Charges that General Motors Corp. played roles in the decline of urban mass transit systems in America and the production of war material for Nazi Germany were cited last week as reasons to break up the world's largest industrial corporation.

The testimony, which inspired the anger of a senator and quick denials from GM, came on the opening day of hearings before the Senate anti-trust and monopoly subcommittee.

THE SUBCOMMITTEE, chaired by Sen. Philip A. Hart, D-Mich., is investigating the possibility of breaking up large corporations in concentrated industries, including auto manufacturing, in order to foster competition.

Hart has introduced the proposed Industrial Reorganization Act. And along with other government and economic troubles which now beset the auto industry, Hart's hearings, in the long run, may become the most serious attack on the power of the American manufacturers and their allies in motor vehicle transportation.

The opening theme of the hearings was set by San Francisco Mayor Joseph Alioto, a former anti-trust lawyer, and Bradford C. Snell, a research economist for the subcommittee.

Alioto charged that ownership by GM of industries which produce forms of transportation that compete with autos and trucks — buses and locomotives — enabled the company to destroy electric rail mass transit systems throughout California and the rest of the nation.

Snell, in an exhaustive study for the committee, enlarged on Alioto's charge.

And in making the charge that GM is more interested in profits than in the nation's needs, he dug into the obscure history of the company's role in the German war machine.

SNELL TOLD the committee that GM—"not out of evil intent, but as part of doing business — maximized global profits by supplying both the Axis and Allied powers with armaments during World War II.

"Its auto plants in Germany built thousands of bomber and jet propulsion systems for the Luftwaffe at the same time that its American plants produced aircraft engines for the U.S. Army Air Corps," Snell said.

Snell's study, which went into greater detail, used the files of the U.S. Foreign Claims Settlement Commission, and the Air Force's Strategic Bombing Survey, a study of the effects of bombing on German war production.

Snell said GM purchased Opel, which now produces motor vehicles, in 1929, and owned it throughout the war. And during the years it produced half the engines for Germany's bombers, the first operational jet engine and trucks, GM officers remained on GM-Opel boards.

"Ford also active in Nazi Germany's pre-war preparations," Snell said. The two companies built trucks for freight and troop transport and in 1938 the German chief executives for GM and Ford received Nazi German Eagles.

Although the German government took over day-to-day operations of the GM plants soon after the war began, ownership of the company didn't change hands, Snell said.

AFTER THE WAR GM applied for and received more than $33 million in reparations and federal tax benefits as a result of bombing damage to its plane and motor vehicle factories.

Sunday, March 3, 1974 - DETROIT FREE PRESS

"What America needs today is not what GM, Ford and Chrysler are inclined to provide

GM said in a statement that the charge that it "assisted in Nazi Germany's war effort is false. A German board of managers appointed by the Nazis assumed responsibility for daily operations of Opel after Sept. 1, 1939. After the U.S. and Germany were at war, the operation was under the control of a German enemy alien custodian."

Snell said GM was in complete control of its Russelsheim plane, which, although not permitted to interfere with the authority of the GM-appointed board of directors, was instructed by [illegible] times."

SEN. ROMAN Hruska, R-Neb., angrily suggested that Snell was unfairly singling out GM, because other American companies were involved in Germany during the war, and some German and Japanese companies had interests in the U.S.

"The encouraged investments overseas after World War I because they paid for themselves and brought dividends back to this country," Hruska said.

Snell emphasized that GM executives were not at fault for getting involved in the German war effort.

"It was a consequence of their dominant position in both the U.S. and Germany," Snell said, "and I don't think we should permit corporations to become so dominant that they can become important to the war effort of countries who are fighting each other."

SNELL MADE the same point in arguing that Congress should force GM and other companies to give up divisions which make trucks, buses and other means of transportation besides the auto.

"What America needs today is not what GM, Ford and Chrysler inclined to provide," Snell said. "They want to sell big, expensive cars and trucks.

"We need smaller cars with efficient low-pollution engines. We need high-speed rail systems to move people and goods downtown and between cities."

Breaking the Big Three automakers [illegible] a balanced group of competing auto, truck, bus and rail firms is essential step toward achieving a balanced system of transportation, Snell said.

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Witnesses demand breakup of Big Three

Detroit News - March 3, 1974

GM cast as ogre to anti-trust panel

By GEORGE KEYTERA
News Washington Bureau

WASHINGTON — Several witnesses before the Senate Anti-trust and Monopoly Subcommittee thought that the General Motors Corp is just too big and ought to be demoted — not to corporal, maybe, but at least to first lieutenant.

The subcommittee held four days of hearings about the automobile industry last week, and as prominently was GM mentioned as a major model of monopoly power that Sen. Roman L. Hruska, R-Neb, was moved early to protest.

"Oh, Mr. Witness," he said to Bradford C. Snell, subcommittee consultant and author of a study recommending the breakup of the Big Three auto companies.

"There would be no more pollution, no more traffic jams, no more foul buses, no more unemployment, no more unsold cars, gasoline would be in plentitude . . . there would be no more overcharging for cars . . . and some of the suburbs would get palm trees again, and ocean breezes would waft in again — all if you broke up General Motors."

General Motors was the big villain last week as the subcommittee, chaired by Sen. Philip A. Hart, D-Mich., completed the first round of hearings which are attempting to determine whether the auto industry could be and should be made more competitive by dividing the Big Three into smaller companies.

THE FIRST WITNESS, Mayor Joseph L. Alioto of San Francisco, accused GM of acting through a holding company, National City Lines, to help destroy what had been an electric mass transit system in his city.

He charged the GM holding company with demolishing the transit company's track system on the San Francisco-Oakland Bay Bridge at a time when the Bay Area Rapid Transit (BART) Commission — which subsequently built the city's modern mass transit system — was planning a transbay system and could have used the bridge right-of-way.

"They did this with the intention of blocking and slowing up development of our BART system," Alioto said.

From there, things went downhill for GM.

Snell followed Alioto and called GM "in effect a sovereign economic state" which was considerably responsible for the decline of the country's rail and bus systems, and continued:

"GM is the world's largest industrial enterprise and one of the world's most powerful private governments. Its 800,000-man worldwide work force is larger than the standing armies of most nations. It is, in effect, a sovereign economic state unaccountable to the citizens of any country yet possessing tremendous influence over the course of national as well as international developments.

"GM is a major force in international affairs. During World War II it furnished Axis and Allied powers with armaments. Its auto plants in Germany built thousands of bomber and jet propulsion systems for the Luftwaffe at the same time that its American plants produced aircraft engines and tanks for the U.S. Army.

"Currently, it is negotiating with the Soviet Union for the construction of the world's largest truck facility."

THOMAS R. ASHER, a Washington attorney (and former Detroit law clerk) who worked in the Anti-Trust Division of the Justice Department between 1966 and 1969, said that all the lower-echelon officials who then studied the auto industry as the object of a possible anti-trust suit agreed that GM should be a target.

But no recommendation was ever made that Atty. Gen. Ramsey Clark authorize such a suit, he said.

"Of special concern to the anti-trust division was General Motors," Asher testified, "which appeared to have monopoly power because of its substantially greater size and profits. By reducing its prices to a still profitable level, GM had — and has — the power to drive both Ford and Chrysler out of business, as well as virtually all of its competition.

"Furthermore, only GM was substantially integrated forward into the automotive accessories like spark plugs, electrical equipment and batteries.

"Its profits on these replacement parts are much higher than on auto vehicles themselves, enabling GM not only to milk the market but thereby to further subsidize any price warfare it might choose to wage against Ford, Chrysler, American Motors, or foreign producers. With such monopoly power it is not surprising that GM called the shots."

SNELL REPEATED that view.

"General Motors, the industry leader, makes most decisions," his study — financed by the Stern Fund of New York — said. "The other two firms (Ford and Chrysler), which rely upon GM for the supply of various components, invariably follow. In the words of former Anti-Trust Division chief Thurman Arnold, Ford and Chrysler have become mere 'satellites of General Motors.'"

Lawrence J. White, assistant professor of economics at Princeton University and author of another study calling for a restructuring of the automobile industry (his plan would break GM into one parent firm and four automotive firms), agreed with Snell and Asher.

"The industry has followed a pattern of price leadership," he said, "with General Motors as the price leader. Repeatedly, at the time of new model introductions, Ford and/or Chrysler have announced their list prices for the new models. General Motors has subsequently announced its prices, and the other two firms have adjusted their prices to General Motors' levels, upward as well as downward."

The week's final witness was Donald E. Weeden, board chairman of Weeden & Co., New York dealer in stocks and bonds.

Weeden offered no program to break up the auto companies, he had been asked to testify about the effects of any breakup on auto company stockholders and on future financing of mass transportation.

HE TESTIFIED THAT IN GENERAL stockholders had not been hurt — and usually had been helped — in corporate divestiture cases.

As an example, he noted that prior to the Standard Oil Co. breakup in 1911, the company stock sold at $600 per share. One year later, after 33 affiliates and subsidiaries had been made into separate companies and their stocks distributed according to court order, the stock's aggregate value was $971 per share, he said.

Forcing GM to divest itself of its bus and locomotive production, Weeden said, probably would lead to a response by Wall Street to the new investment opportunities in mass transit.

"So long as one bus can do the job of 35 Cadillacs, one subway car that of 50 Oldsmobiles and one train that of 1,000 Chevrolets," he said, "the pressure on the most public-spirited, well-meaning corporate managers at General Motors will be overwhelming to push private cars rather than mass transit.

"Perforce, then, one cannot advise clients to invest in General Motors diesel locomotives. But if not General Motors, then what company for the investor sold on the future of mass transportation?

"That is what I mean when I say Wall Street abhors a monopoly the way nature abhors a vacuum. Whatever investment funds are available go into the monopoly — which is the functional equivalent of a vacuum."

GENERAL MOTORS — and the other auto companies — will get their chance to respond, at length. When that will be is not known.

Hart said no date has been set for resumption of the hearings into the auto industry, one of seven industries that would be restructured under his proposed Industrial Reorganization Act of 1973 which would outlaw monopoly power.

Hruska, meanwhile, was unworried about the possibility that Congress would act soon against the auto firms. He recalled that 20 years ago the subcommittee, under the late Sen. Estes Kefauver, D-Tenn., had a "whale of an investigation" of GM's ownership of municipal transit lines.

"This history of trying to analyze and prescribe for the motor industry of America goes back almost 40 years," he said. "Somehow or other, no results have flowed from these efforts . . . I don't know if that is an argument against trying again. We're going to try again . . ."

Stockholders who watch the market in New York didn't seem to anticipate any sudden, precipitate action either. General Motors common stock opened the week at 31 and closed at 30.

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Automotive

Washington vs Detroit: Of witches, Nazis and monopoly players

The auto industry had no friends at the witness table as Senate hearings on corporate concentration got underway. But the carmakers, who took some vicious verbal blows from a variety of witnesses, got their say at the end of this month.

The auto industry was accused of virtually everything short of witchcraft. And some at the hearing indicated suspicions of that.

Granted, economic concentration in any industry can be negative; but accusing General Motors Corp. of involvement on the side of the Germans just prior to and following World War II was a bit much, one observer noted. That accusation came from economist Bradford C. Snell, a staff member of the Senate Antitrust and Monopoly Subcommittee which is holding the hearings.

In Detroit, GM issued a strong statement asserting that Snell's charges were false.

Nonetheless, Snell's allegations, along with others, typified the curious tone the hearings took at the outset. Sen. Philip A. Hart (D., Mich.), subcommittee chairman and the man who introduced the Industrial Reorganization Act, tried to keep the sessions in perspective.

Hart emphasized his bill would try to develop new standards for measuring unlawful monopoly power. In addition, the legislation would create a special commission to study seven industries, including steel, nonferrous metals and autos, and make recommendations to Congress as to how they might be made more competitive.

Hart pointed out his bill prohibits industry restructuring if it would cause loss of efficiencies.

"The basic question," Hart said, "is whether it is feasible and practical to reorganize these industries so as to benefit workers, consumers, stockholders and the economy." The Senator himself is skeptical that his legislation will ever become law. He admits his intention is to "begin building a record" on the question of restructuring industries.

The auto and mass transit industries in America are "deeply troubled," Hart said.

Most of the witnesses at the four days of hearings asserted it is because of the machinations of the auto industry that mass transit is hurting.

Alioto: Greatest wisdom?

Mayor Joseph Alioto of San Francisco, an acknowledged expert on antitrust, told the hearings "monopolistic practices" in the auto industry such as "interlacing and interlocking" control of competing modes of transportation are "problems which have never been fully attacked.

"The greatest wisdom certainly calls for divestiture by the automakers of the subsidiaries in direct competition with the auto, such as buses, trucks and locomotives," Alioto said.

As it turned out, the subcommittee revealed that the Justice Dept. did indeed develop confidential proposals to break up the Big Three automakers. But the ideas never saw the light of day, it was pointed out.

The government idea was to split General Motors into six companies, Ford into two and to end the franchised-dealer system for GM, Ford and Chrysler.

By week's end the hearings had developed into a pound-off session against the auto industry, a situation many people felt was more inequitable and one-sided than even Hart had intended.

Mazda debuts rotary truck, backs Wankel powerplants

Mazda Motors of America will introduce the world's first rotary engine powered pickup next month.

The Wankel-powered pickup is another vote of confidence in the powerplant, Mazda says. Price: $3200—about $400 above a conventional engine Mazda pickup.

On the passenger car front, Mazda says it has lost $100 million in business (20,000 to 30,000 in new car sales) since reports circulated that its rotary engine cars got less than 11 miles per gallon in Federal government emission tests.

Mazda executives claimed that further tests should up the mpg figure to 13 and that GM's soon-to-come Wankel-powered cars will give a boost to Mazda's products. "It will show we were right all along," a Mazda spokesman assures.

For component makers, small car push may mean big dollars

The swing toward small cars in the United States has expanded considerably the worldwide marketing prospects for multinational automotive component manufacturers.

H. Richard Ford, vice president, worldwide automotive marketing, The Bendix Corp., says the rapid expansion of the compact and subcompact market in the U.S. "offers tremendous opportunities for companies experienced in supplying innovative parts and components to the foreign vehicle manufacturers."

Ford points out small cars have always predominated in virtually every country outside the U.S. ●

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CHICAGO TRIBUNE MARCH 13, 1974

M

Nicholas von Hoffman

Who eliminated old transit lines?

CTB-13-74

WASHINGTON—Telling how he had to get up at 5:30 in the morning to get on line at the gas pumps by 6:30 so he could be at the Capitol by 9:30, a California congressman remarked that, "By the time I get to my desk, I was so goddamn mad I was sweering I was going to vote against myself for reelection."

The congressman, like the millions of other victims, has no choice but to wait or pay. The lines won't shorten till the oil companies get their price—somewhere approaching a dollar a gallon.

And, when the gas does flow again, it will permit the congressman and everybody else to proceed to work at an average rush-hour speed of 12 miles per hour, or considerably slower than our great-grandfathers made it to work in 1890.

GRANDPA, of course, could take a trolley or an interurban—those speedy, electric railroads that once serviced the towns and cities of the East, Midwest, and California so cheaply and efficiently. They are gone, and half our population is marooned and held for ransom in the suburbs by the car, tire, and oil companies.

That we are in this fix isn't accidental. In 1949, General Motors, Standard Oil of California, and Firestone were convicted by a federal jury of criminally conspiring to wreck electric transportation and replace it with gas or diesel buses.

The story of how General Motors took our money, our health, and our sanity was recently told to the Senate antitrust subcommittee by its own assistant counsel, economic historian Bradford C. Snell. Snell has put together a documented narrative about how General Motors set out to wreck public transportation in America for the reason that the company makes its highest profit from cars.

One bus can eliminate 35 cars; one street car or rapid-transit vehicle can do the work of 50 cars; and one little interurban or regular railroad train can render 1,000 cars unnecessary.

Only a corporation of such power and presumption as General Motors could dream of destroying a successful, profitable industry earning millions of dollars and carrying millions of passengers. Yet General Motors did, and it began by helping to create the Greyhound Corp.

Greyhound agreed to buy all its equipment from General Motors—its largest stockholder until 1948.

In 1932 came the formation of United Cities Motor Transit, a subsidiary of G.M.'s Bus Division, whose "sole function," according to Snell, "was to acquire electric streetcar companies, convert them to G.M. motor bus operation and then resell the properties to local concerns which agreed to purchase G.M. bus replacements."

After the electric transportation systems in three Midwestern cities had been wiped out via this route, the stink was so large that G.M. had to employ more stealth and move by indirection.

Thus the chairman of G.M.'s Bus Division was installed as the head of New York City's trolley company until the street-car system, the world's largest, was destroyed by conversion to buses in 18 disastrous months. In the same period, G.M. got together with Standard Oil of California, Firestone Tire, and Greyhound to create National City Lines, a holding company whose purpose was destruction of rapid transit in no less than 16 states.

General Motors not only shot down the world's largest trolley system in New York, it also shot down the world's largest interurban system in Los Angeles. Pacific Electric branched out 75 miles north, east, and south of downtown Los Angeles, serving 80 million passengers a year by running 3,600 trains daily. Pacific Electric, not the automobile, Snell maintains, accounted for L.A.'s vast, decentralized suburban development, which G.M. has helped to convert into a poison gas chamber.

National City Lines and its subsidiaries got hold of Pacific Electric and destroyed it. Currently there are proposals to bring the interurban system back. The estimated cost to restore one-sixth of this system that used-to-be is almost $7 billion.

FOR CARRYING off this conspiracy, which was much more serious than Watergate in its effects on our lives, General Motors was fined $5,000.

But we're not being altogether fair to General Motors. Sure, they deserve the lion's share of the blame, but people bought their propaganda.

Newspaper editors, downtown businessmen, gawking yahoos, progress worshipers — the same pack of fools you can still sell any fad to—they cheered and beat the drums.

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GM Armed Hitler's War Machine—

Most of us were raised believing that during the Second World War, Detroit was the "Arsenal of Democracy" with images of tanks and planes rolling from assembly lines that had been producing autos a short time before. The whole of American industry was converted into a crushing weapon against Fascism.

What we weren't told was that the same companies which were providing the armed might of the U.S. were simultaneously supplying weapons for the Nazi regime.

This startling fact was brought [illegible] before the U.S. Senate Monopoly and Anti-Trust Sub-Committee by Bradford C. Snell, a research economist for the subcommittee.

Although the charges are of the most serious magnitude, GM saw fit to issue only a three-sentence denial, and the Detroit papers buried the whole story. (The Free Press put it on page 16-F).

With the author's permission, the Fifth Estate is publishing an excerpt from Snell's copyrighted statement documenting U.S. automotive company cooperation with the Nazis.

During the 1920's and 1930's, the Big Three automakers undertook an extensive program of multinational expansion. In 1929, General Motors acquired Germany's largest automobile company, Adam Opel, A.G. By the mid-1930's, these three American companies owned automotive subsidiaries throughout Europe and the Far East; many of their largest facilities were located in the politically sensitive nations of Germany, Poland, Rumania, Austria, Hungary, Latvia, and Japan.

As the Axis Powers overtly prepared for war, General Motors, Ford, and, to a lesser extent, Chrysler found themselves involved in serious conflicts of interest and national loyalties. Due to their concentrated economic power over motor vehicle production in both Allied and Axis territories, the Big Three inevitably became major factors in the preparations and progress of the war. In Germany, for example, General Motors and Ford became an integral part of the Nazi war efforts. GM's plants in Germany built thousands of bomber and jet fighter propulsion systems for the Luftwaffe at the same time that its American plants produced aircraft engines for the U.S. Army Air Corps.

Order of the German Eagle

As owner of Germany's largest automobile factory, General Motors was quite naturally a more important factor in the Axis war effort than either Ford or Chrysler, whose investments were substantially less.

GM's participation in Germany's pre-

GM's chief executive for overseas operations in 1938 was awarded the Order of the German Eagle (first class) by Chancellor Adolf Hitler.

paration for war began as early as 1935. That year its Opel subsidiary cooperated with the Reich in locating a new heavy truck facility at Brandenburg, which military officials advised would be less

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vulnerable to enemy air attack. During the succeeding years, GM supplied the Wehrmacht with Opel "Blitz" trucks from the Brandenburg complex. For these and other contributions to wartime preparations, GM's chief executive for overseas operations in 1938 was awarded the Order of the Germal Eagle (first class) by Chancellor Adolf Hitler.

Ford was also active in Nazi Germany's prewar preparations. In 1938, for instance, it opened a truck assembly plant in Berlin whose "real purpose," according to U.S. Army Intelligence, was producing "troop transport-type" vehicles for the Wehrmacht. That year Ford's chief executive received the Nazi German Eagle (first class).

Given the dominant structural positions of GM and Ford in the war economies of both America and Germany, these firms had the power to influence the course of World War II. They could determine, for example, which belligerent would benefit from their latest advances in war-related technology. Refusal to aid in prewar preparations, of course, was unthinkable. It would have resulted in confiscation and irreparable economic harm to GM and Ford stockholders. In any event, due to their concentrated economic power in both economies, they were able to shape the conflict to their own private corporate advantage. Whether in fact their profit-maximization determinations were also in the best interests of international peace or, more specifically, in accord with the national security objectives of the United States at that time is entirely unclear.

The outbreak of war in September 1939 resulted inevitably in the full conversion by GM and Ford of their Axis plants to the production of military aircraft and trucks. During the last quarter of 1939, for instance, GM converted its 432-acre Opel complex in Russelsheim to warplane production. From 1939 through 1945, the GM-owned Russelsheim facility alone assembled 50 percent of all the propulsion systems produced for the JU-88 medium range bomber. According to the authoritative work of Wagner and Nowarra, the JU-88 by 1940 "had become the Luftwaffe's most important bomber, and remained so for the rest of the war."

The Russelsheim facility also assembled 10 percent of the jet engines for the ME-262, the world's first operational jet fighter. Wagner and Nowarra described this jet plane as perhaps "the most important military aircraft to come out of Germany." With a top speed of 540 miles per hour, it was more than 100 miles per hour faster than the American P-510 Mustang, the fastest piston-driven allied fighter. Not until after World War II were the Allies able to develop pure jet aircraft. By producing ME-262 jet engines for the Luftwaffe, therefore, GM's Russelsheim plant made a significant contribution to the Axis' technological superiority in the air.

According to captured German records, these facilities contributed substantially to the German war effort.

90% of Germany's Half-tracks

On the ground, GM and Ford subsidiaries built nearly 90 percent of the armored "mule" 3-ton half-tracks and more than 70 percent of the Reich's medium and heavy-duty trucks. These vehicles, according to American intelligence reports, served as "the backbone of the German Army transportation system."

In addition, the factories of Ethyl G.m.b.H., a joint venture of I.G. Farben, General Motors and Exxon subsidiaries, provided the mechanized German armies with synthetic tetraethyl fuel.

During 1935-36, at the urgent request of Nazi officials who realized that Germany's scarce petroleum reserves would not satisfy war demands, GM and Exxon joined with German chemical interests in the erection of the Ethyl tetraethyl plants. According to captured German records, these facilities contributed substantially to the German war effort: "The fact that since the beginning of the war we could produce lead-tetraethyl is entirely due to the circumstances that shortly before the Americans had presented us with the production plants complete with experimental knowledge."

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"Without lead-tetraethyl," the wartime document added, "the present method of warfare would be unthinkable."

It was, of course, in the best interests of GM and Ford to cooperate in the Axis war effort. Although GM, for example, was in complete management control of its Russelsheim warplane factory for nearly a full year after Germany's declaration of war against the United States on December 11, 1941, its refusal to build warplanes at a time of negligible demand for automobiles would have brought about the economic collapse of its Opel plant. Moreover, it might have resulted in confiscation of the facility by the German Government.

In fact, on November 25, 1942, the Reich did appoint an administrator for the Russelsheim plant who, although not permitted to interfere with the authority of the GM-appointed board of directors, was instructed to oversee operations. Nevertheless, communications as well as material reportedly continued to flow for the duration of the war between GM and Ford plants in Allied countries and those located in Axis territories.

War Reparations

After the cessation of hostilities, GM and Ford demanded reparations from the U.S. Government for wartime damages sustained by their Axis facilities as a result of Allied bombing. By 1967, GM had collected more than $33 million in reparations and Federal tax benefits for damages to its warplane and motor vehicle properties in formerly Axis territories, including Germany, Austria, Poland, Latvia, and China.

Likewise, Ford received a little less than $1 million, primarily as a result of damages sustained by its military truck complex at Cologne.

Since World War II, the rebuilt Russelsheim and Cologne plants have enabled GM and Ford, respectively, to capture more than two-thirds of the German motor vehicle market.

By 1967, GM had collected more than $33 million in reparations and Federal tax benefits for damages to its warplane and motor vehicle properties in formerly Axis territories.

Due to their multinational dominance of motor vehicle production, GM and Ford became principal suppliers for the forces of fascism as well as for the forces of democracy. (End of excerpt)*

GM Denial

Shortly after the press was made aware of the above charges levelled by Bradford Snell, the General Motors Corporation issued a curious denial of the story. The GM spokesperson stated that "several other corporations" also invested in pre-World War II Nazi Germany and that none of these companies had liquidated their assets because of the war. In effect, GM stated that it was not the only offender and that Snell was merely exposing a normal business practice.

When this newspaper telephoned the GM press room for further comment, GM made the following tersely-worded statement: "The allegation that GM assisted in Nazi Germany's war effort is false. A German board of managers appointed by the Nazis assumed responsibility for daily operations of Opel after Sept. 3, 1939. After the U.S. and Germany were at war, the operation was under control of a German alien custodian."

In the course of his presentation, Bradford Snell refutes this GM disclaimer in several places. He cites, for instance, the fact that GM "was in complete management control of its Russelsheim warplane factory for nearly a full year after Germany's declaration of war against the United States..."

Moreover, although the German Government could have confiscated the GM holdings, there was actually no reason to do so, since GM was cooperating completely in the German war effort. During this entire period, GM facilities in the Allied countries were in communication with facilities in the Axis countries. Information and material were exchanged. GM's stockholders continued as usual to derive profit from its German facilities.

All these paradoxes are easily sorted out by the cost-accounting minds of America's business leaders.

More importantly, GM made no effort to deny that the Corporation aided in the German *preparations* for war. Hitler made no secret of his aggressive foreign policy aims, and GM may also have been impressed by Hitler's repression of the German labor movement. In any case, while GM and Ford executives were receiving awards from the Fuhrer, the most vicious and anti-democratic regime in modern history was clamped down on Germany.

Catch-22

Many Americans might feel outraged by the fact that GM acted to maximize its profits from World War II, regardless of which side won. Patriotic members of the VFW might feel complete bewilderment at the paradox of GM, that ultimate American institution, aiding a wartime enemy. Families of American soldiers killed in that war might wonder at the irony of the country's largest corporation manufacturing the weapons used to kill their sons, husbands or fathers—and then collecting war reparations for the allied bombing of GM's Axis facilities.

But all these paradoxes are easily sorted out by the cost-accounting minds of America's business leaders, like GM's Chairman of the Board, Richard Gerstenberg. For as long as GM is assured of a friendly investment atmosphere, it can just as easily invest in fascist countries as in bourgeois democracies. The investment dollar crosses national boundaries as easily as the wind. The irony is that many Americans defend capitalism because they think it is patriotic to do so.

Were it not a question of fascism and big business versus human progress, one might recall the absurdity of Milo Minderbinder, of "Catch-22" and his fantastic speculation schemes to sell arms, information, food and clothing to generals on both sides. As it turns out, Joseph Heller's fictional imagination in "Catch-22" had real historical reference. As Milo (or GM's German executives) would tell you, war is first of all big business.

* *Snell's pamphlet, "American Ground Transport," which contains the above-quoted material, is available without cost from U.S. Senator Philip A. Hart, Senate Office Bldg., Washington DC. The pamphlet is copyrighted in 1974. Snell plans to publish an extended version in book form.*

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Senator WILLIAMS. All right. We can reconvene, with Assemblyman Thomas Frey, from the National Conference of State Legislatures and the next witness following Assemblyman Frey, Ms. Berman, why don't you come up, too, Ms. Berman?

STATEMENT OF THOMAS R. FREY, ASSEMBLYMAN, NEW YORK, NATIONAL CONFERENCE OF STATE LEGISLATURES

Mr. FREY. Thank you very much, Senator and members of the subcommittee.

My name is Thomas Frey, assemblyman from New York State, and I appreciate this opportunity to speak to you on behalf of the National Conference of State Legislatures on Senate bill 208, the National Mass Transportation Assistance Act of 1977. As a resident of Rochester, N.Y., and chairman of the New York Assembly's Committee on Transportation, I obviously have a strong interest in any legislation which will have an effect on not only our urban mass transportation program but our transportation network as a whole.

I believe it is essential for me to provide the members of the subcommittee with a brief overview of NCSL's transportation policy as it regards urban mass transit issues. The conference strongly believes, as do I, in the multimodal transportation process in which no one transportation mode reigns supreme, but rather each of the modes—air, heavy rail, light rail, highways, and waterways complement the others. Each of these modes performs a task, be it moving freight or people in urban or rural areas. And each mode overcomes some inadequacy inherent in the others.

In our urban areas, NCSL believes that mass transit is the mode that overcomes the inadequacy of all of the other modes when it comes to performing its specified task: moving people. It does this with great efficiency in terms of time, energy use, and with a comparatively small amount of environmental damage.

NCSL further believes that the existing funding level for this Nation's mass transportation system is inadequate in terms of the Federal contribution to capital and operating costs. All existing authorizations for the urban mass transit program in the Nation have already been committed to future projects. If this Nation's effort in mass transit is to extend beyond 1980, if we are to build new systems, if we are to purchase more equipment, if we are to continue to provide transportation to those who have no alternative but mass transit, then we must recognize that more funds and new funding sources are needed.

NCSL recognizes, when we speak of mass transit and of funding, that the States themselves have an enormous responsibility. Many States are providing operating subsidies to their transit program. Many more have used their power of taxation to stimulate the development and continuation of transit services.

State action is a must because of the nature of mass transit problems. The State has the responsibility to give each urban region the appropriate assistance it requires and to provide strong incentives for local solutions to local transit problems. The State has the responsibility to coordinate among the individual governmental units in a region and to help resolve conflicts between city and suburban political subdivisions.

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I'd like to begin my statement, if I may, Senator, to point out another important advantage of the discretionary fund. That is a term we have used frequently in our statements associated with it. The use, also, in a New York State, the maintenance of effort requirement, which is very important to insure the viability of a total mass transit system, and primarily the MTA in New York is the best example. We run by with the penalty that we merely cut down our total subsidy and we lose a part of the Federal funds. The net effect is that the maintenance of effort requirement ends up causing us to be less efficient than we would be if they were not in there.

If there was a major increase for bus use—and I'm glad to see the discretionary funds do not have that requirement and it will be very helpful for us in New York State.

However, this legislation will provide the States with the funds needed today to keep the system operative—not to make any major improvements to the overall system but to maintain it at a subsistence level. We can live with that for now. The system will survive, but it will not grow.

As regards the other issues included in this legislation, I would like to say that NCSL is quite pleased and fully supports section 6 of the bill and its attempt to increase the flexibility of Federal assistance to nonurban areas. It does us little good to provide capital funds for our areas of lesser population to purchase new buses if the systems' passenger revenue is not great enough to pay for the driver, maintenance, and administrative costs. The opportunity to use these funds for either operating or capital programs is essential to the success of our efforts in rural public transit.

Other aspects of the bill that NCSL supports deal with an improved training grant system, a loan forgiveness program, a biennial review of the urban transportation program and, of course, the establishment of a national policy regarding the rights of the elderly and handicapped. In essence, we will support this legislation, although we consider it to be a limited program.

We have only one minor problem with this bill. That problem is that we feel quite strongly that section 5, subsection (2), in which the formula grant moneys are available for obligation by the recipient, specifies that the Governor will obligate those funds. We request that the word "Governor" be stricken and the words "the State" be inserted. We further request that the 1964 act be amended in the same manner in any instance where the moneys are to be distributed by the State government.

The reason we ask this is because in many States, these funds are considered to be revenues subject to the State's constitutional budgetary process even though they are obligated for mass transit purposes. All State matching funds for Federal programs originate in this budgetary process. It is only proper, we believe, that these moneys be subject to the same State constitutional budgetary procedures, whether or not local matching funds are required. Additionally, by using the words "the State" it provides those Governors, who have legal authority to do so, with the right to obligate the funds in accordance with the intent of the legislation.

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eral Government in our major urban areas with a population of 1 million or more, was a participatory role in operating subsidies that averaged 25 percentage points less than local governments' efforts. In our urban areas of 500,000 to 1 million population, the Federal share averaged 15 percentage points less than the local effort. We, the local governments, are participating, and will continue to participate, but we are also looking toward the future of mass transit.

I believe that mass transit is an important transportation mode today; however, in 10 to 15 years, it will be essential to our major urban areas. We are building these systems to meet that future need.

The State legislatures recognize that the Federal Government's contribution to capital programs for mass transit has been an enormous one. That effort in capital programs must not only be maintained but increased.

Not only must capital funds be increased, but operating funds must also be increased. It makes little sense to purchase new equipment or increase the size of a system only to discover that costs are too far above revenues for the local government to operate with any degree of fiscal responsibility.

We are very pleased that this legislation increases the authorizations for Federal financial assistance by extending that assistance beyond the existing 1980 deadline to September 30, 1982. This will provide the national mass transit program with 2 more full years of growth and maintenance of the existing system.

But what about 1983? What about 1986 and 1990?

When the Interstate Highway System was programed, the Government developed a highway trust fund to secure the moneys needed to assure completion of the System. That funding source, however, provided more than money to the System. It provided a sense of security to the planners and the builders of that System. It provided them with the knowledge that there would be money and the lead time to plan for future projects.

But what about our mass transportation system—what assurances does it have?

The States have the assurance that, right now, there is no money available for new projects. They have the assurance that, given existing funding sources and limitations, not enough money will be provided for all worthwhile projects.

We support S. 208's funding continuation and increases. They are timely and greatly needed. Without them, the States face possible funding interruptions and the erratic and piecemeal programing that would accompany such fiscal disruption. We also recognize, and hope that this subcommittee will acknowledge, that this limited continuation does not provide any security for the mass transit system of the future. A permanent stable funding source is needed.

We support section 5, subsection (3) of this legislation in which a new $250 million discretionary fund is created. These new moneys are quite flexible in that they are open for use as operating assistance, capital expenses, or for commuter rail costs. We have only one reservation in regards to this new fund. That reservation is based on our belief that while $250 million is certainly a sizable amount of money, it still will not be sufficient to relieve the economic strain that mass transit funding places on local governments.

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I'd like to depart from my statement, if I may, Senator, to point out another important advantage of the discretionary fund. That is, it does not have the maintenance effort requirements associated with it. The net effect of this in New York State, the maintenance of effort requirements, is that if we try to improve the efficiency of a local mass transit system and obviously the MTA in New York is the best example, we end up with the possibility that we thereby cut down our local subsidy and we could lose all of our Federal funds. The net effect is that the maintenance of effort requirements end up causing us to be less efficient than we could be if they were not in there.

If there was a better mechanism for doing that—and I'm glad to see the discretionary funds do not have that requirement and it will be very helpful for us in New York State.

However, this legislation will provide the States with the funds needed today to keep the system operative—not to make any major improvements to the overall system, but to maintain it at a subsistence level. We can live with that for now. The system will survive, but it will not grow.

As regards the other issues included in this legislation, I would like to say that NCSL is quite pleased and fully supports section 6 of the bill and its attempt to increase the flexibility of Federal assistance to nonurban areas. It does us little good to provide capital funds for our areas of lesser population to purchase new buses if the systems' passenger revenue is not great enough to pay for the driver, maintenance, and administrative costs. The opportunity to use these funds for either operating or capital programs is essential to the success of our efforts in rural public transit.

Other aspects of the bill that NCSL supports deal with an improved training grant system, a loan forgiveness program, a biennial review of the urban transportation program and, of course, the establishment of a national policy regarding the rights of the elderly and handicapped. In essence, we will support this legislation, although we consider it to be a limited program.

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The reason we ask this is because in many States, these funds are considered to be revenues subject to the State's constitutional budgetary process even though they are obligated for mass transit purposes. All State matching funds for Federal programs originate in this budgetary process. It is only proper, we believe, that these moneys be subject to the same State constitutional budgetary procedures, whether or not local matching funds are required. Additionally, by using the words "the State" it provides those Governors, who have legal authority to do so, with the right to obligate the funds in accordance with the intent of the legislation.

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Finally, I believe that this legislation is for today. We ask the members of the subcommittee to support it because of that—to support it because there are programs that must be planned today if they are to be implemented in the near future. Without this legislation, we face programing interruptions and service discontinuances that will take many years and a great deal more money to overcome.

Before I conclude, I would like to add my word to that of County Executive Caso who indicated his concern about the funding process that eliminates a good portion of what the New York metropolitan area would be entitled to if it were done on a ridership basis.

While I'm from Rochester, which is nearly 400 miles from New York City and we're really not involved in their problems to a great extent, the fact that the Federal Government sources are limited for the New York metropolitan area puts a great strain on the State budget and we have in effect done exactly what we were asking the Federal Government to do. Our mass transit program provides for a formula that's based on ridership.

The net effect of that within New York State is approximately 90 to 95 percent of the New York funds go to the New York metropolitan area. I think that's fair, even though I'm not from that area, and I think it's something that we could stand a lot of help from the Federal Government on.

Thank you very much, Senator.

Senator WILLIAMS. How was that arrived at in New York? That's a State legislative matter?

Mr. FREY. Yes, Senator. We have $104.5 million in our State budget for mass transit. That requires a matching amount of another $104.5 million from either the counties or if it's a private bus company the company itself must come up with the funds and then that money is used for local matching share to come up with the amount that we need to get Federal assistance.

Senator WILLIAMS. And the formula is based on ridership?

Mr. FREY. Yes; it is.

Senator WILLIAMS. Did the vote in the assembly get the votes of Essex and Franklin?

Mr. FREY. I'm not sure about that, but it got Monroe County where I'm from. It is a political problem but the fact is that it passed. It's passed consistently and I think it can be justified when you compare it with what happens with our overall transportation programs. The New York City metropolitan area gets a substantially shorter amount of money for highway in New York State and I think that if you try to compare it on an overall basis it's a fair formula. I think the same thing could be true at the Federal level.

Senator WILLIAMS. I agree, but one vote——

Mr. FREY. I know you do.

Senator WILLIAMS. There's just one problem that I have, with the statement of yours and that is our observation that the Governor under section 5, subsection 2, where you say the formula grant moneys are available for obligations by the recipient, it is specified that the Governor will obligate those funds.

Now that's not the way I read it and I don't believe it's the way it in fact happens. The section says the Governor or the designated

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recipient. Now I don't think there are many States were the Governor is in that position. As a matter of fact, we have trouble getting Governors to come here to testify on this bill because in most States they are not central to the action under this law.

Mr. FREY. If that's the interpretation, Senator, then I think that can clear up the problem. We in New York State as well as in many other States are very concerned about the question of what happens with funds that go directly to an executive branch and that's what the concern is here. If the interpretation is that it's up to the State to decide who the designee is in that case, then I don't think there would be a problem with it.

Senator WILLIAMS. There should be some clarification on this point. As I understand it, the flow is from the Federal Government to that public authority, and the public authority is not designated by the Governor but, as with Nassau County, would come in under its application and be designated.

Mr. FREY. Well, OK. If that's the interpretation, Senator, then I don't think it would be a problem, but if it is up to the Governor to make the designation, then that would be a major problem.

Senator WILLIAMS. I come from a State where we have a unique situation where we do have a State transportation department and it is the designated recipient, but it's unique. What other States have a State transportation department? Maryland, Rhode Island, New Jersey. But New York is not included.

Mr. FREY. The authorities are spread out across the State.

Senator WILLIAMS. Thank you very much.

Mr. FREY. Thank you, Senator.

Senator WILLIAMS. Ms. Berman, from the American Association of State Highway and Transportation Officials.

STATEMENT OF JOBY H. BERMAN, CHAIRMAN OF AASHTO'S STANDING COMMITTEE ON PUBLIC TRANSPORTATION

Ms. BERMAN. Mr. Chairman, the American Association of State Highway and Transportation Officials wishes to express our appreciation for this opportunity to appear before you and testify regarding amendments to the Urban Mass Transportation Act of 1964.

For the record, I am Joby Berman, Director of the Division of Public Transportation for the Illinois Department of Transportation, and I am appearing before you today in my capacity as chairman of AASHTO's Standing Committee on Public Transportation. I am accompanied by Mr. Joe Rhodes, deputy director of AASHTO. Mr. Fred Salvucci, secretary of the Massachusetts Executive Office of Transportation and Construction Mr. Peter Stangl, assistant commissioner for Public Transportation of the New Jersey Department of Transportation were going to accompany me today, but Brock Adams is up in Boston for one of his regional meetings and they have gone to talk to him.

Senator WILLIAMS. Good.

[Complete statement follows:]

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AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS
444 N. Capitol St., N. W. Suite 225
Washington, D. C. 20001

TESTIMONY BEFORE THE
SENATE SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

February 23, 1977

Mr. Chairman, the American Association of State Highway and Transportation Officials wishes to express our appreciation for this opportunity to appear before you and testify regarding Amendments to the Urban Mass Transportation Act of 1964.

For the record, I am Joby Berman, Director of the Division of Public Transportation for the Illinois Department of Transportation, and I am appearing before you today in my capacity as Chairman of AASHTO's Standing Committee on Public Transportation. I am accompanied by Mr. Fred Salvucci, Secretary of the Massachusetts Executive Office of Transportation and Construction, Mr. Peter Stangl, Assistant Commissioner for Public Transportation of the New Jersey Department of Transportation, and Mr. Joe Rhodes, Deputy Director of AASHTO.

AASHTO is an organization which represents the transportation interests of all 50 of the State departments of transportation or highways. It was created in 1914 by a group of State officials who felt the need for a forum for an exchange of ideas and the reaching of mutual positions. Membership in the Association is limited to those official State agencies having transportation responsibility and their employees.

During the past several years, state governments have played an increasing role in providing financial and technical assistance for mass transit. Many States, especially those that have established departments of transportation, offer programs ranging from technical services provided by professional staff to grant assistance in excess of $100 million annually. A listing of State aid to urbanized areas

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for urban transit purposes has been prepared by AASHTO and is attached to my written testimony.

The varying responses of the States to the need for public transportation assistance have been largely a function of state legislative policy, of the local or regional decisions regarding the organization and funding of mass transit systems, and of the general political and economic philosophies governing the perceived roles of the State, local and federal governments in supporting publicly-financed programs. The financial support provided by the federal government through the U. S. Department of Transportation has had a major influence in determining the financial role of the States in mass transit assistance programs.

In reviewing the respective roles of these three levels of government, one important point is clear: State governments can provide a valuable forum for planning and allocating available resources for mass transit improvements. This invaluable resource must afford maximum benefit to the transit industry, the general public and taxpayers through the establishment of a clearly defined partnership arrangement with the U. S. Department of Transportation.

In order to improve the administration and funding of mass transportation assistance programs, the following changes are recommended:

(1) The federal grant procedural and assurance processes must be consolidated and streamlined. The States support UMTA's current effort to do this through the revision of its External Operating Manual. However, we are gravely concerned over the lack of a defined State role in these procedures and the decision-making process.

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(2) For routine capital projects, especially the replacement of old and worn out rolling stock, consideration should be given to adopting a policy that would allocate annual block grants to the States, simplify the grant procedure to accelerate the replacement process, and permit State discretion in the use of these funds. Discretionary grants for major mass transit capital system improvements or new starts would continue to be individually administered by UMTA.

(3) In cases where States already have well-established operating assistance grant programs, the States should be assigned a major role in the administration of the Section 5 formula grant program. By doing so, both State and UMTA programs can be better coordinated and the application process combined to provide a more efficient delivery system.
As part of this increased State role, we urge that each State be authorized to reallocate to other urban areas within its boundaries those Section 5 funds which another urbanized area cannot or chooses not to use.

(4) More decision-making authority must be given to DOT Regional and Division Offices. Section 5, 9 and routine Section 3 grants could, with adequate staffing, be more effectively and efficiently administered by these offices.

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(5) An operating assistance program for nonurbanized areas should be established with the funds allocated to and administered by the States. Such State involvement would be conditioned upon the expressed willingness and capability of the States to perform these program functions.

(6) Substantial revisions should be made in the Section 16(b)(2) program and take those steps necessary to incorporate it under the Section 3 program.

As mentioned previously, State Departments of Transportation have assumed various roles in mass transit. State departments administer operating assistance programs in urbanized and nonurbanized areas; provide matching grants for a wide range of UMTA programs; and conduct technical studies and services. State Departments of Transportation also administer Section 16(b)(2) and Section 147 programs for the U. S. Department of Transportation; collect and analyze mass transit operating and financial data; and operate mass transit systems. Finally, State Departments of Transportation undertake a wide range of transit-related activities and programs not under the sponsorship of or funding by the U. S. Department of Transportation.

Accordingly, State Departments of Transportation, having accumulated diverse experience in many facets of mass transportation planning, operations, and financing, are uniquely suited to assume a major role in the administration of federal funding programs.

As the federal program further develops and the demands for mass

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transit assitance increase, this important resource will become increasingly valuable. While a certain degree of working relationship has been established between certain States and the U. S. Department of Transportation, the administration of the mass transportation assistance programs would be enhanced by the establishment of a concise but flexible federal policy of State involvement in this program. Cooperative decision-making, problem-solving, financial assistance, data collection and analysis, technical and managerial services, policy development, program administration and planning are some of the functions that can be performed by the States.

However, for this role to be properly developed, flexibility must be built into the process, for all States will not necessarily want to, or are currently capable of assuming certain transportation functions. The federal government should clearly recognize this situation and formulate a partnership plan that will enable States to respond as they may determine appropriate to do so. Thus, a major objective of federal transit policy must be to utilize available State resources without penalizing urbanized areas in States which do not currently provide such resources.

Emphasis should be placed upon the establishment of a policy that will permit flexibility in the application of federal urban transportation programs, giving State and local governments the right to better exercise their own prerogatives. This flexibility should be offered in the context of a unified national transportation policy with federally-assisted programs responsive to the policies, goals, objectives, and priorities established at State and local levels.

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It is strongly recommended that immediate and serious consideration be given to the establishment of a flexible, comprehensive federal-state partnership in transit development. The improvement of mass transit programs and services in this country (on a cost-effective and streamlined basis) is dependent upon this action.

Thank you very much. I will not be glad to respond to any questions you may have.

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AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS

SURVEY ON STATE AID TO URBANIZED AREAS FOR URBAN TRANSIT — November 1976

State	Program Period	State Funds Used in Lieu of or supplement to match UMTA . . . Section 3	Section 5	Section 9	State Capital used without matching on Urban Transit
Alabama	71-77	$ 0	$ 0	$ 0	$ 0
Alaska (no reply)					
Arizona	FY 77	3,695,409	3,608,906	150,000	
Arkansas		0	0	40,000/Year	
California	FY 77	779,000	140,000	NA	FY 77 5,000,000
Colorado	FY 77	0	0	0	FY 77 50,000
Connecticut	FY 77	625,000	4,100,000	78,000	0
Delaware	FY 77	141,560	364,000 (FY 76)	3,500	
Florida	FY 76	3,300,000	1,300,000	180,000	FY 76 642,800
Georgia		(Ave. 217,300/Yr.)	(Ave. 150,000)	(Ave. 62,500)	(Ave. 102,500)
"	73-77	870,000	600,000	250,000	73-74 410,000
Hawaii		0	0	0	0
Idaho		0	0	0	0
Illinois	FY 77	16,000,000	5,700,000	40,000	FY 77 110,000,000
Indiana	FY 77	300,000	1,700,000		
Iowa		(Not Now In T.I.P.)			
"	77-81	← 2,000,000 (CAP.)			Part of $2M
Kansas	77-79	0	0	0	-
Kentucky	FY 77	1,500,000	41,000	34,000	
Louisiana	CY 76	25,000,000	320,000		
Maine	FY 76, 77	0	0	0	-
Maryland		(Ave. 71,475,000)	(Ave. 6,250,000)	(Ave. 1,500,000)	(Ave. 115,225,000)
"	77-81	285,900,000	25,000,000	6,000,000	27-81 460,900,000
Massachusetts	FY 76	13,000,000	4,600,000	300,000	
Michigan	FY 77	22,000,000	12,600,000		FY 77 1,900,000
Minnesota	FY 77		2,011,000	2x,uuu	FY 77 350,000
Mississippi		0	0	0	FY 77 0
Missouri		0	0	0	FY 76 0
Montana	FY 77	0	0	0	FY 77 75,000
Nebraska	FY 77	0	1,253,000	10,000	
Nevada	FY 77	0	0	0	FY 77 -
New Hampshire	FY 77	0	0	4,800	
New Jersey	FY 77	74,000,000	29,000,000	250,000	FY 77 6,000,000
New Mexico	FY 77	0	0	0	0
New York					Ave. 7,500,000
"	FY 76	102,750,000	100,000,000	800,000	5-10M
North Carolina	FY 76	511,000	0	14,000	0
North Dakota	FY 76, 77	0	0	0	0
Ohio		(Ave. 4,650,000) ← Capital Amount	Included-Sec. 3	(Ave. 150,000	
"	75-77	9,300,000		300,000	0
Oklahoma	FY 77	0	0	0	0
Oregon		(Ave. 476,000/Yr.)			
" "	75-77	952,000			0
Pennsylvania		(Ave. 15,800,000/Yr.)	(Ave. 74,000,000)	(Ave. 333,333)	
" "	76-82	90,000,000	444,000,000	2,000,000	0
Rhode Island		0	2,100,000	20,000	2,300,000
South Carolina	FY 77	0	0	0	0
South Dakota	FY 77	0	0	0	0
Tennessee	FY 77	1,200,000	95,000	74,000	FY 77 25,000
Texas	FY 77	16,000,000	7,000,000	0	0
Utah	FY 77	0	0	20,000	-
Vermont (no urbanized areas)	FY 77	0	0	Urban Areas 9,...	0
Virginia	FY 77	(1,650,000)	(1,650,000)	275,200	FY 77 3,300,000
" "			3,300,000 (CAP.)		
Washington		(Ave. 10,950,000)	(Ave. 1,550,000)		
" "	77-79	21,900,000	3,100,000	0	
West Virginia	FY 77	NA	NA	262,000	0
Wisconsin			(Ave. 2,400,000)	(Ave. 20,500)	
" "	FY 76, 77	0	4,800,000	41,000	0
Wyoming (no urbanized areas)					
Average Annual Total		$387,220,469	$261,734,906	$4,781,833	$250,970,300
			$653,737,208		

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November 5, 1976

SURVEY OF STATE AID TO URBANIZED AREAS FOR MASS TRANSPORTATION

"PRELIMINARY FINDINGS"

Over one billion dollars (1,166,971,942) of State funds in lieu of local funds are used to match Federal funds in urbanized areas in some 42 States (per program year).

F.A. Highways	470,655,387
Urban Mass Transit (Discretionary capital funds)	387,220,469
" " " (Constr. & Oper.-apportioned funds)	261,734,906
" " " (Discretionary planning funds)	4,781,833
Aviation	42,464,347

In half of the 42 States reporting, 90-100% of the matching funds for Federal-aid highway projects are provided by the State.

Over five hundred million dollars of States' capital funds are expended (without F.A. matching) for highways, transit, airports, bikeway, trails, etc. in urbanized areas, (within 45 States reporting).

This fiscal year some $47 million of F.A. Highway funds were obligated for non-highway purposes and $65 million are anticipated for next year. (This, of course, does not include Interstate transfers as these are general funds).

An annual average of $30,561,596 of F.A. Section 112 (1%) funds has been made available to MPO's this year, but an additional identifiable $21,531,385 of State's Federal-aid HPR 1½% funds were also utilized for work in urbanized areas. Thus, some 52 million dollars of Federal-aid highway funds were utilized for transportation planning in urbanized areas. To this add almost $5 million of UMTA Section 9 funds increasing the total to $57 million of identifiable U.S. DOT funds for planning in urbanized areas. (FAA Airport planning funds not included).

States provided 5457 man years of professional assistance to urbanized areas. (1835 Planning & 3622 other) in transportation. (Using a median rate of $15,000 this amount approximates $82 million a year for fifty States.) [It is to be noted that for "other" than "planning" the data reported from New York and Pennsylvania amounts to 73% of the total.]

It is to be noted that it costs the (43) States reporting over $121 million in administrative costs to meet Federal requirements for Federal-aid programs to or in urbanized areas. (Extrapolated to 50 States this could be $140 million (a $2.8 million per State.))

Highways	$ 92,688,250
Transit	6,435,314
Airports	4,660,850
Other	17,992,400
	$121,706,814

To this add $31 million, and $151 million (in 34 States) of additional costs borne by States to offset Federal and State required services, which would normally be carried by local governments.

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Ms. BERMAN. If I may have your permission, Mr. Chairman, I have testimony here from Governor Busbee, who is chairman of the subcommittee on transportation for the National Governors' Conference, and he's asked that I be allowed to submit this into the record.

Senator WILLIAMS. It will be. Thank you.

[The material follows:]

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Office of the Governor
Atlanta, Georgia 30334
George Busbee
GOVERNOR
Maureen Muldoon
EXECUTIVE SECRETARY

February 21, 1977

The Honorable Harrison A. Williams
352 Russell Senate Office Building
Washington, D. C. 20510

Dear Senator Williams:

As Governor of Georgia and Chairman of the National Governors' Conference Committee on Transportation, Commerce and Technology, I would like to share with you the most recent statement of the assembled Governors on national urban and rural public transportation policy. As you know, the States are the next level of integration in transportation planning and delivery after the Federal government. States have an important responsibility in the planning and financing of public transportation, which is reflected in the tripling of state resources dedicated to mass transit over the past years despite tight funding decisions for most of the chief executives of the States.

The Governors are most interested in the development of long term program goals developed through a genuine federal-state partnership based on mutual commitment to a program that is more than a series of projects, to best serve the people. Sound public transportation programs require adequate planning, assurance of long-term funding, and a recognition that we are building for the future of our urban areas and the movement of people in an energy-efficient manner. You will see that our policy calls for a commitment to planning, financing, operations, regulation and safety for public transportation.

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On behalf of the National Governors' Conference I want to thank you for holding these hearings to start a public dialogue on the need for public transportation commitments in the federal-state and local governments as we look to the future. On behalf of the Governors, we stand ready to provide assistance in developing solutions to national mass transportation needs.

Sincerely,

George Busbee
Governor of Georgia
Chairman, Committee on Transportation
Commerce and Technology

GB:AMt

Enclosures

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F. - 1

GENERAL PRINCIPLES

The National Governors' Conference commends the Department of Transportation (DOT) for its generally excellent communication with States. To improve communications further, the Conference urges that all proposed regulations be reviewed by representatives of the States prior to publication in the Federal Register. Such review would provide early input of each State's special situation and critical analysis. DOT should allow the States to assist in the development of regulations through the Conference.

The Governors call on all States to develop administrative and legal structures equal to the challenge of comprehensive, integrated transportation systems. Many States have already created central departments of transportation to coordinate all modal programs.

The Governors support full coordination of federal transportation programs. Toward this end, all transportation programs should be developed according to the policy of DOT, which should also coordinate the projects of the Corps of Engineers involving transportation service.

Existing functional agencies within DOT should not be separated, and proposals to remove the Federal Aviation Administration or maritime activities from DOT should not be approved. However, the streamlining of departmental operations through internal reorganization may be appropriate.

The Governors call for an active dialogue with the Transportation Secretary to refine DOT's integrated national transportation policy so that it may be used for setting continuing priorities in the nation's transportation program.

The States are the appropriate level of government to provide for the coordination of transportation planning and control of transportation programs. The metropolitan planning organizations should provide local input from which coordinated statewide transportation plans can be developed.

In pursuing energy conservation as the best possible method of reducing the nation's reliance on foreign oil products, the Conference urges a reevaluation of transportation funding mechanisms. State and federal highway programs depend heavily on motor fuel taxes and most States have already felt the impact of declining fuel tax collections.

The Governors continue to call for the creation of a single unified national transportation trust fund by phasing in all transportation tax revenues and other tax revenues made available for transportation. The unified trust fund should be used for all modes of transportation, based on a comprehensive and integrated national transportation plan. Such a plan should rationalize rates of investment among all transportation modes and should address transportation problems in the context of the nation's long-term energy supply. In addition, a major portion of revenues

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generated by energy conservation taxes should be included in the unified trust fund and supplemental funds should be added as necessary to meet the needs of a comprehensive, integrated transportation system.

As elected chief executives, Governors are best able to determine the transportation needs and priorities of their States. Congress should distribute all transportation funds to the States because these funds can be administered in a more orderly and accountable manner if they flow directly through the Governor. The Governors are particularly concerned about long-term financing of transportation. The nation's highway system must receive high priority and sufficient funds must be dedicated to ensure its continued operation.

The Conference applauds the establishment of the National Transportation Policy Study Commission to make a complete investigation of the nation's transportation needs and of the resources and policies required to meet such needs. The Conference endorses the objectives of this commission as set out in Section 154 of the Federal-Aid Highway Act (PL 94-280), encourages all parties to move forward with this study, and pledges its willingness to participate.

In its study, the commission is encouraged to consider block grants to the States for transportation needs and preemption by the States of a portion of the federal motor fuel tax.

The Governors pledge their cooperation in providing appropriate environmental assessments of transportation construction. The A-95 program should give the Governors a stronger role in the evaluation, analysis and implementation of all transportation projects to avoid duplication and waste as well as environmental damage.

The federal government should provide minimum environmental standards to protect the basic health and safety of every citizen, while leaving state governments free to deal with specific problems of extraordinary severity or to respond to citizen demands for a higher level of environmental quality than national standards.

The federal government should join the States in an effort to apply innovative technology in discovering new sources of energy and new methods of reducing pollution and disposing of wastes produced by the transportation system.

More specific guidance and clear expression of congressional intent is needed in implementing the Clean Air Act of 1970, Section 4(f) of the Transportation Act of 1966, Section 404 (PL 92-500) concerning the Corps of Engineers and other environmental legislation to rectify and ease administrative difficulties experienced over the past few years. In lieu of federal requirements, the States should be allowed to develop standards responsive to their specific needs while conforming to national minimum standards. States that have enacted standards equivalent to federal standards should take over administration of environmental protection.

The Governors pledge increased emphasis on the design of highways and other transportation systems so that these facilities complement rather than conflict with the total environment. Programs for the preservation and development of historic and scenic vistas along transportation corridors should be encouraged by the reward of additional federal financial assistance rather than by the present threat contained in highway funding legislation. The Conference opposes any federal penalties on the States when Congress fails to appropriate funds which have been authorized to aid States in beautification programs.

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The Governors support the basic premise that a representative government has the responsibility to ensure that public transportation needs are met by at least one mode of service. To attain this objective, transportation regulation may be justified if free market conditions cannot provide reasonable and adequate service at economical prices.

The Conference urges the formation of a national commission to investigate the broad range of state and federal regulatory practices. The present problems of the rail and trucking industry, especially rate structures, indicate the immediate need to begin this investigation. The Governors support the "zone of reasonableness" method of rate setting, which is designed to protect the carriers and foster competition at the same time.

F. 2

HIGHWAY TRANSPORTATION

The National Governors' Conference strongly supports continued development and improvement of the nation's streets and highways as essential to the over-all transportation system and the vitality of the national economy. The Governors urge that the program mandated by the Federal-Aid Highway Act (PL 94-280) continue as a partnership between state and federal governments because support and coordination are needed at all levels of government if the effort is to be effective.

Congress and the Administration should continue to review with the nation's Governors the various transportation programs to determine the appropriate roles for state and federal governments in the development and maintenance of a comprehensive transportation system and to eliminate duplication of effort and overlap of responsibility.

Congress and the Administration should focus on reducing the complexity of federal aid and increasing the flexibility of the States to administer highway programs and to spend funds on state-determined needs for new construction, reconstruction, rehabilitation and safety projects. Existing categorical programs should be reduced to no more than four: Interstate, urban, rural and safety. Each State should receive its fair share of funding in these categories to be used as its own priorities dictate.

The Highway Trust Fund should be extended to ensure completion of the Interstate System and to provide for its reconstruction and rehabilitation. The possible benefits from the sale of bonds to provide for early Interstate completion should be studied. Many States have used or are now using bond revenues to finance their Interstate systems.

Any modification of the Highway Trust Fund must reflect highway needs, the tax base required to support those needs and the impact on the various States. Serious consideration should be given to a formula that would provide each State no less than 80 percent of the tax payments it makes into the Highway Trust Fund. The remaining 20 percent would be allocated for a national transportation system.

The Conference opposes any diversion of the present Highway Trust Fund revenues to the general fund. The nation's current transportation needs far exceed the nation's capability to pay for them.

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Although no Highway Trust Funds are being impounded, Congress has imposed an obligational ceiling on the funds, thus perpetuating the practice of impoundment. The Conference supports removal of the ceiling, allowing the States to use all past and present authorizations within the limits of cash available in the Highway Trust Fund. Obligational authority should be provided as far ahead as possible.

Gasoline and other motor fuel taxes should not bear the full burden of the energy conservation effort to the detriment of the over-all highway program or the individual State's ability to finance construction and maintenance of its highway system. Should Congress establish additional user taxes, sufficient funds should be directed to the States or preemption to the same degree should be allowed to offset any reduction in highway funds. The Conference supports continuation of federal funding for advance acquisition of rights-of-way.

The use of certification acceptance procedures by several States has proved beneficial and the 1976 Highway Act amendments will provide for greater use of these simplified procedures. The Conference urges the Federal Highway Administration to develop the program fully. The reductions in FHWA personnel could benefit the other modal administrations of the Department of Transportation.

Although the fuel shortage has diminished, the trucking industry remains affected by high fuel costs, disparate tax and licensing structures, size and weight regulations, and similar problems. The Conference again recommends that Congress and the Interstate Commerce Commission investigate the obstacles facing the trucking industry. States should consider legislation to permit uniform axle, tandem and gross weights consistent with federal regulations. States are also encouraged to join the International Registration Plan to streamline the administration of road taxes and registration.

Congress, in enacting the Highway Safety Act of 1966 and its amendments, mandated a comprehensive and coordinated attack on highway safety problems. However, sufficient funds have not been provided to meet the requirements of the act. The Conference urges appropriation of enough funds to implement the act.

The Governors commend Congress for repealing the 10 percent penalty clause in the Highway Safety Act and applaud the more realistic 1976 amendments. However, the Governors are concerned about the trend of state legislatures to repeal existing state safety legislation because of the flexibility extended by Congress. The Governors pledge their leadership and support to strengthen the safety programs of their States.

The National Highway Traffic Safety Administration and FHWA should administer the highway safety program in a unified manner and should move toward a programmed approach for highway safety funds. Federal aid requirements should be simplified and States should be permitted to focus funds on their most pressing problems.

The Governors also commend Congress for requiring NHTSA and FHWA to evaluate the effectiveness of current highway safety standards in cooperation with the States. The evaluation should be conducted with appropriate state officials and the National Conference of Governors' Highway Safety Representatives.

NHTSA should act as a clearinghouse to coordinate research by public and private sectors and to provide information to the States.

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The Conference opposes draft orders issued by NHTSA and FHWA requiring States to absorb the planning and administration costs of the highway safety program. If the two agencies fail to reverse their action, the Governors request congressional action to secure continued federal funding.

The Conference also opposes any proposal to interfere with state enforcement of traffic speed limits. Earlier regulations proposed by DOT implied that Governors would default in their constitutional responsibility to see that the law was faithfully executed, and that their performance should be monitored by a federal agency. These presumptions are still totally unacceptable. Any contributions to energy conservation and highway safety are incidental when compared to federal usurpation of traditional state police power under coercive threat of highway fund withdrawal.

The Governors pledge in good faith to support the 55 mph national speed limit. Certification by Governors that their speed control programs are fully operative should be enough to satisfy the intent of Congress. The Conference recommends that studies relating the lowered speed limit to decreased highway accidents, deaths and property damage be reviewed and expanded.

Because more than 50 percent of highway fatalities are alcohol-related, the Conference recommends the early implementation of counter-measures in all States, including use of the implied consent law in testing drivers for drunkenness, and urges that necessary resources be made available to the Governors to implement these counter-measures.

School bus safety requirements (23 United States Code 406) are too rigid and force the Governors to spend funds in one narrow area of safety. The Governors recommend that Congress repeal 23 USC 406 and fund school bus safety through more general safety standards (23 USC 402).

F. - 6

URBAN AND RURAL PUBLIC TRANSPORTATION

Many States have used their authority to form areawide public transit districts, and have granted them taxing authority and bonding powers. Several States now provide direct capital grants for the construction of mass transit

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facilities. Some States finance operating subsidies and others have used their powers of taxation and tax exemption to stimulate the development of transit service and rural transportation.

The National Governors' Conference calls for flexibility in the application of federal urban transportation programs, giving state and local governments the right to exercise their own prerogatives in the context of a unified national transportation policy.

Federal mass transit assistance programs should be coordinated by the Governors who have the responsibility to provide strong incentives for local solutions to local transit problems and to resolve conflicts between political subdivisions. The National Mass Transportation Assistance Act of 1974 gives a significant and meaningful role to Governors in the planning and development of urban mass transit systems. This role will help to ensure equitable treatment of the various political subdivisions within the States and achieve a balanced transportation system. In addition, the States will be able to coordinate their transportation programs with emphasis on areas of greatest need.

Local participation is encouraged and expected in all phases of urban and rural transit development to ensure that projects are responsive to and compatible with the needs of the local population from both operational and fiscal aspects.

The Conference believes that States should recognize the potentially beneficial impact of public transit service on the life of rural areas. Federal, state and local governments should join in a concerted effort to respond to the needs of rural people for improved public transportation.

Comprehensive planning policies should include major public and private developments such as hospitals, shopping centers, industrial sites and residential areas in the transportation network of the region. A multimodal policy at all levels of government, while improving cooperation between modes, minimizes imbalance and enables each mode to realize its inherent advantages.

The Conference supports an assured source of federal funds for urban transportation programs. This will lend continuity to program planning and implementation in the face of ever-increasing requirements for public involvement, comprehensive planning, analyses of alternatives, environmental concerns and interagency coordination.

Public transportation, a necessary component in the total transportation network, cannot survive without governmental assistance for capital outlays and operating subsidies. Without federal support vital elements of public transportation would be extremely difficult to initiate. Federal, state and local agencies should join in improving existing public transit services and establishing new services where needed.

The Conference supports a limitation on funds for operating assistance. The formula concept of Section 5 of the 1974 amendments to the Urban Mass Transportation Act aids immeasurably in planning operating and capital needs, but a limitation must be placed on operating subsidies so that the capital needs of the nation's transportation system are not neglected. This limitation should be placed at the state level so that state funds can be integrated with federal funds to ensure effective use of tax dollars.

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The Conference recommends that UMTA's provisions on rural funds be amended to allow operating subsidies as well as capital grants in the same manner operating subsidies are authorized for urban areas.

The Department of Labor's interpretation of Section 13c of UMTA has led to problems for state and local governments in building and operating urban mass transit systems. Congress did not intend to burden urban transit systems with the sign-off authority which DOL has assumed. Congress and the Secretary of Labor are asked to resolve this sign-off question so that urban transit programs will not be adversely affected.

The Conference urges the improvement of marketing efforts in the areas of public information, promotion, scheduling and transfers to increase the conversion of auto drivers to transit users.

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Senator WILLIAMS. The reach of your statement is to bring urban mass transportation into comprehensive response to all transportation?

Ms. BERMAN. Well, I speak now from the State of Illinois. We have, of course, Chicago, which is a metropolitan area of 7 million and we have 12 other urbanized areas within the State with public transportation systems and it appears without anybody's consternation or regret that we have not statutorially the power but administratively the power to allocate funds and to date I have not yet had a problem with equity.

Now I speak only to the public transportation side, not the highway side funding, but the State of Illinois supports its public transportation out of the general revenue fund, out of the road fund and out of bond authorizations for capital improvements with an extremely wealthy sum and is willing to maintain that in the face of severe budgetary problems at the State level today.

Senator WILLIAMS. Now our immediate problem is graphically shown here and this is the fact of what we are faced with and the immediate needs.

Now do you support, and your group support, this effort before us now, mindful of the fact that there's a Presidential Commission working on comprehensive relationship of all modes of transportation and maybe out of that will come this integrated and related better thought processing to meet transportation needs broadly. But here and now, we don't have their findings, the Commission's, Coleman's Commission. His report is still an academic exercise. These figures are not academic.

Chicago, in fiscal 1977, got a promise of $200 million, looking forward to $1.3 billion next year. Now that's here and now.

Ms. BERMAN. Well, I'm sure that the organization supports the continued full funding of public transportation. The method by which it's funded is open to debate.

At present this is all we have before us and we therefore support this legislation.

Senator WILLIAMS. How long would you delay this for a better solution? All of this year?

Ms. BERMAN. To the best of my knowledge, AASHTO is not in any position to delay any additional money for public transportation.

Senator WILLIAMS. In other words, better do it now this year, as soon as possible?

Ms. BERMAN. If these figures speak correctly, and I'm very familiar with them and they do, we are in trouble for fully funding future public transpotration investments and if there's no other alternative before the Congress for additional funds then, Senator, your bill is the one that has to go.

The problem is, where are we going to get the money from; I have not reviewed any legislation that has any other alternative but your bill today. So what I'm testifying on here is the support of Federal funding for public transportation.

Senator WILLIAMS. Now you come with a background and with special knowledge in transportation. You see the charts here and in your studies you have reviewed the national situation. And you find that what is described here is in fact the national picture.

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Ms. BERMAN. Well, if in fact the commitments in principle are funded, this is the picture. If the present Secretary of Transportation chooses to reevaluate those commitments in principle, the bottom line might change.

Senator WILLIAMS. Well, I would think that would be a national disaster, if agreements arrived at by the Federal Government were now broken. Maybe there's no constitutional infringement, but certainly a breach of faith. I don't anticipate there will be any running out of what our Nation has been told will be forthcoming under this program.

Ms. BERMAN. If I may speak to that. I think the problem with the present UMTA Act is that all you can do is make commitments in principle. You have heard testimony today that says that is not fair to local areas in terms of planning. If all you can get is a commitment in principle and an annual appropriation, you're disadvantaged in your progress. You can only work on an annual grant amount.

You have a commitment in principle for x amount of dollars to cover the whole project but every year you have to go back on your hands and knees and beg for the amount that will cover the so-called cash flow. But I certainly think more appropriate would be the ability to make the commitment in total which would be a multiyear funding.

Senator WILLIAMS. We thought we crossed that mountain or got over that bridge long ago with contract authority, and I will say Secretaries have gotten us into a gray area, but the law is still the same and these are obligations that under the law I would say have to be honored and the law basically as we structured it is full funding. It has not been talked about in those terms as it should be, but it's still the law.

Ms. BERMAN. I fear if every commitment in principle is considered a full funding commitment, we have no money left right now.

Senator WILLIAMS. That's the whole point. That's the last line. That's why we need this funding now because I would hate to think that commitments earnestly made and earnestly accepted would be run out on. If they are not going to be dishonored, we need that program now.

Ms. BERMAN. I totally agree with you.

Senator WILLIAMS. Thank you very much.

We will return at 10 o'clock tomorrow morning.

[Whereupon, at 1:10 p.m., the hearing was recessed, to be reconvened at 10 a.m., Thursday, February 24, 1977.]

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NATIONAL MASS TRANSPORTATION ASSISTANCE ACT OF 1977

THURSDAY, FEBRUARY 24, 1977

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS,
Washington, D.C.

The subcommittee met at 10:05 a.m. in room 5302 of the Dirksen Senate Office Building; Senator Harrison A. Williams, Jr. presiding.

Present: Senators Williams and Proxmire.

Senator PROXMIRE. The subcommittee will come to order. Senator Williams isn't here yet. We expect him momentarily.

The reason I am beginning a little early, unfortunately, I can't stay. I will have to recess the hearing.

But first I would like to make a statement with respect to one of the witnesses this morning.

The second witness, I believe, is scheduled to be the mayor of Madison, Mayor Soglin. Mayor Soglin is my mayor. I live in Madison. We are very proud of him. He has a particularly strong record in the area of mass transit. It was his suggestion, his innovation that changed dramatically the kind of mass transit system we have in Madison. The fares were reduced sharply for the general public, to 25 cents and they have remained at 25 cents.

They are only 10 cents for the elderly in the offpeak hours, and Madison has the highest per capita bus transit use of any city in the country.

So it has been a success in terms of usage, and it has been a success in terms of viability and convenience, of course, for the people in our city.

We are very grateful to Mayor Soglin for agreeing to testify here this morning, and I simply wanted to say, because I have to leave right now, how proud we are of the fine record he has in mass transit.

I want to apologize for the chairman. I opened it now because I have to run.

Senator WILLIAMS. Thank you.

Thomas P. O'Neill, Lieutenant Governor of Massachusetts, is our first witness.

I would like to say, Governor, that Senator Brooke is distressed that he couldn't be here to introduce you, and I have a statement I am going to include in the record that will come before your statement. It is a fine introduction to the testimony that we are looking forward to. We appreciate it. Thank you.

[The statement of Senator Brooke follows as though read:]

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STATEMENT OF SENATOR BROOKE

Senator BROOKE. Mr. Chairman, there are two major issues which I believe must be considered as we discuss any new Federal mass transit legislation—the formula for the section 5 operating subsidy program and allocations under the discretionary capital program. If we only add more dollars to this program, without changing the legislative framework for distributing the funds, it may mean that fewer dollars will actually be allocated to the areas of the country where the needs are greatest.

First, the present allocation formula under the section 5 operating subsidy program discriminates against older cities which have existing transit systems. The current formula allocates funding based upon two criteria—population and population density for urbanized areas. This formula does not take account of ridership or other transit-use factors which would help cities with existing transit systems such as Boston and other older cities of the Northeast. Rather, the current mechanism rewards newer cities like Los Angeles, Phoenix, and Denver, which are just developing their transit systems. I would propose that we correct this inequity in funding by changing the formula to reflect "use of transit" as well as "population."

Second, under the section 3 discretionary capital program, a major share of Federal dollars has been allocated to new rail transit systems. In Massachusetts, as well as other States with large existing bus and rail systems, there is a great need for funding of bus equipment and replacement, upgrading of our existing rail systems, and additions or extensions to those systems. We could assure that all of these activities are funded, along with new transit system starts, if we allocated funds specifically for each of these transit needs. Senator Williams' proposal in his bill for a $500 million set-aside for bus replacement and acquisition is a welcome step in that direction.

We must develop an allocation system which will provide our communities with a more predictable source of funding so that they may develop more rational long-term planning for their basic transit needs. This is especially true today since our energy situation requires us to look toward increasing use of mass transportation in the future.

There are a number of other issues which should be discussed as we consider legislation in this area. I am sure that many of these issues will be raised by our witnesses this morning. Our first witness today will be the Honorable Thomas P. O'Neill III, the distinguished Lieutenant Governor of my home State of Massachusetts. I have read his testimony, and it is a good statement of the major issues in mass transit.

STATEMENT OF THOMAS P. O'NEILL III, LIEUTENANT GOVERNOR OF THE COMMONWEALTH OF MASSACHUSETTS

Mr. O'NEILL. Thank you, Mr. Chairman; it is nice to be here. I represent not only the Governor of the Commonwealth of Massachusetts, Governor Dukakis, but the people of the Commonwealth of Massachusetts, as well.

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I welcome the opportunity to talk about the transportation issue which is so central to the well-being both socially and economically of the people of the Commonwealth.

The transportation policy of Massachusetts involves many things, but none is more central to the Commonwealth's goals than mass transit.

Massachusetts has a stake in mass transit for many reasons—its cities, its economic development, its environment—and as a measure of the Commonwealth's commitment, I point to a series of tough, but needed decisions taken this decade which not only have altered the course of transportation in Massachusetts, but have served as a model for the rest of the Nation.

In 1970, for example, Massachusetts halted all highway construction in Metropolitan Boston, starting a process toward increased mass transit use, whose funding was augmented by the interstate transfer account—the first State in the Nation to do so.

But the Commonwealth's mass transit program is also funded with a strong State commitment. For instance, the State contributes one-half of the Massachusetts Bay Transit Authority's deficit, as well as its 10 regional transit authorities and provides substantial financial backing through the issuance of bond authorizations.

The effects of these decisions are many and beneficial. The Commonwealth's mass transit policy has preserved neighborhoods, encouraged sound environmental growth without jeopardy to economic development, and most important, has helped the mobility of citizens to travel in a cheap and efficient manner.

The Commonwealth's decision to promote mass transit and not the automobile, is beginning to bear impressive results. For the Massachusetts Bay Transit Authority its embarking on its most profound period of expansion since its inception.

But however crucial local initiative was to the rebirth of Massachusetts' mass transit in the seventies, one thing is certain: Local initiative is meaningless unless accompanied by significant Federal support.

That such support is forthcoming, we have reason to be optimistic. For a new administration—working together with a cooperative Congress—has pledged to aid those areas most in need: the cities. And mass transit is a central means for the revitalization of our central cities.

That is why I welcome the opportunity to discuss Senator Williams' bill, for only by an effective national transportation policy can the States' efforts be matched by resources which can produce results—and thereby spur the development of our urban centers.

Though I understand that some believe mass transit legislation should await further study of such issues as the surface trust fund, the policy of the Commonwealth is clear: Our mass transit needs are urgent—they are pressing—and we therefore hope that the resolution of various transportation concepts does not delay needed mass transit legislation this year.

Our objectives in mass transit legislation are three: First, to make capital grant funding not only adequate, but reliable through multi-year commitments of funds to transit authorities; second, to insure

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that the capital grant program is not only reliable, but also adeqautely funded to meet the needs of mass transit throughout the Nation; and third, that the formula for the section 5 operating assistance program reflect not a city's population, but a true guide to a system's need, the number of a city's population who actually use the system.

Our first objective, multiyear commitments, is essential to the sound management of a transit authority.

The source of capital funds must allow the Urban Mass Transportation to make firm, binding commitments to transit authorities over several years.

For multiyear commitments provide a transit authority with knowledge of future Federal funds—and therefore allow transit authorities to plan an element central to sound management.

Therefore, the Commonwealth of Massachusetts urges this committee to provide new contract authority for the section 3 capital program—because contract authority is the one clear way we know of to permit the executive branch to make genuine multiyear obligations of funds for major transit projects. If this means waiving some of the requirements of the Congressioal Budget Control Act procedures, then this issue must be further discussed.

To put the matter in blunt terms, no transit authority can go out to bid in any one year with a piece of major construction project if it is uncertain that Federal assistance will be there for the finish several years later.

The Commonwealth's second objective is bound to its first: For reliability of funding is unattainable unless the amount of capital grant funds is sufficient.

The MBTA, for example, has begun a major program of improvements in its commuter rail program, its rolling stock, its plant, and rapid transit extensions. For this program, the MBTA needs about $125 million each year for the next 5 years—and these improvements are not elaborate, but basic.

If the Nation is to meet the transit needs of the major systems ofi the Northeast and the Great Lake States—New York, Philadelphia, and Chicago—as well as other transit systems—the level of capital grant funding must be sufficient.

Therefore, the Commonwealth urges the committee to call for funding at least at the levels in S. 208—$1.9 billion in 1978 to $2.8 billion in 1982.

The Commonwealth's third objective deals not with the capital grant program, but with revisions in the formula for section 5, the operating assistance program.

That serious attention be given to the operating assistance program is a necessity.

The Commonwealth's goal is to make better use of existing section 5 funds through changes in the formula so that money can be rationally allocated to where the needs are greatest.

The correct formula for section 5 is based one-half on relative urbanized area popualtion and one-half on relative urban area population density.

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The effect of this formula's bias toward population is to send funds to where population is great, but not necessarily to areas most in need of mass transit assistance.

Some small cities are unable to spend all their section 5 funds, while other cities with large transit systems—New York, Boston, Chicago, and Philadelphia—cry out for additional operating aid.

Fare increases are not always a solution, for they often drive away potential riders. And neither is increased local aid an ideal solution, for the financing of such aid is through the property tax, a regressive and overused method of public finance.

Rather, I recommend that the additional funds called for in S. 208, instead of remaining at $250 million per year for 5 years, increase from that level in 1978 to $500 million in 1982. Further, rather than leaving the distribution to UMTA's discretion, I recommend a formula based not on population, but system usage.

Mr. Chairman, my proposal for a new formula which reflects the needs of transit systems is simply an extension of what should be the general philosophy of the mass transit program: to aid areas most in need.

Mass transit sys tems are not only engaged in the movement of people: They are also major elements in the revitalization of our urban areas.

Because of this dual nature of mass transit—it achieves the goals of transportation and urban aid—the commonwealth has a special interest in the inclusion of its objectives in mass transit legislation—not next year, but now.

The urgency of the Commonwealth's position on mass transit is a measure of its view of the impact of urban mass transit: For mass transit creates a significant impact in the development of our urban centers.

The continuation and full funding for mass transit is a chance for the new administration to demonstrate its commitment to our Nation's urban centers.

I understand that there is a view among some that the old administration essentially committed all of the spending authority provided under the 1974 Transit Act. One thing is clear, however: The need for funding mass transit systems exists. Boston, Cleveland, Atlanta, Philadelphia—these urban centers are ready to expand their mass transit systems, but they lack enough funds.

That is why we urge passage of mass transit legislation this year. It will promote the Commonwealth's goals of cheap efficient transportation—and at the same time, mass transit legislation will help render our cities more livable through social and economic development—a critical priority.

We think that to be a fine opportunity to attack this problem.

Thank you very much for this opportunity.

Senator WILLIAMS. We appreciate your being here and this kind of testimony, describing your situation in one of our major metropolitan areas. It is vital to an understanding of this issue here in the Senate. It is very important.

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As you can see, we have charts that indicate where we stand fiscally in the program, with the program, and mindful of the obligations that are there, and the pledges that have been made.

I am sure you are familiar with the pledge that has been made to the Commonwealth you represent and the metropolitan area that has been the advocate, the Boston metropolitan area.

The former Secretary of Transportation in an announcement in January of this year announced the reservation of $300 million in fiscal year 1977 and 1978 for the Massachusetts Bay Transportation Authority for the proposed Red Line and Orange Line rapid rail extensions in the Boston area. This is a reservation of funds.

As you look at the charts for fiscal 1978 you can see that the source of funds must be replenished or some reservations that have been made will be a reservations without meaning.

As a matter of fact, a promise without fulfillment unless we have attention this year on mass transit and I would suggest early this year.

Can you tell us a little bit—you mentioned that your transportation authority has been an integral part of the community's development.

I wonder if we could get a little feel, for the favorable impact of transit in the areas where it has served, in the growth and the orderly development of the metropolitan area.

Mr. O'NEILL. I would like to think, Mr. Chairman, we have had growth and orderly development. I would point out initially we have the oldest mass transportation system in America. It is probably the most convoluted in its initial form and stage of creation. It really doesn't go north, south, east, west, it goes all over like an octopus.

As the population has expanded over the last 75 or 80 years, it really has expanded beyond the financial capacity of the Massachusetts Bay Transit Authority. Consequently, we felt we need to expand the system to those population centers around the metropolitan area of Boston.

We do have that commitment specifically from the former administration. The previous administration made a commitment with the interstate transfer account of $300,000,100 for fiscal 1977 and $200 million for fiscal 1978. That was part of the money to relocate the Orange Line and extend the Red Line. The Orange Line relocation goes to the southwest section of Boston and the Red Line to the north of Boston, in an attempt to service some of the bedroom communities around that area and again to relieve the congestion and really promote the balanced transportation modes we would like to see in the greater Boston area.

I will tell you under the capital construction funding we do see a need over the next 10 years for approximately $125 million per year. Therefore we will have a need for approximately $600 million in 1982.

Senator WILLIAMS. I missed the point. What areas, what lines are going to be included?

Mr. O'NEILL. I was talking about the lines where the financial commitment has been made by the former administration in the section's name. He made a commitment in interstate transfer account of $300 million, $100 million in fiscal 1977 and $200 million for fiscal 1978.

Senator WILLIAMS. I don't understand that; what are your projections of transit needs?

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Mr. O'NEILL. In addition to funds from the interstate transfer account (of which the $300 million is only a part), we will also need about $625 million over the next 5 years from the regular section 3 capital grant program—$125 million per year over 5 years.

Senator WILLIAMS. I am trying to recall the picture of the various lines that feed into central Boston. They do run north, west, south. It has been some time since I looked at the chart of expansion extension. Is this new right-of-way that will be acquired or rehabilitation of old right-of-way?

Mr. O'NEILL. Reconstruction of old right-of-way on the Orange and Red Lines, and some new tunnels on the Red Lines.

We are going over the old B. & M. railroad tracks in one case and using the old Penn Central railroad right-of-way, which goes through an extensive land tank of cleared land.

Senator WILLIAMS. You are in a situation where you do have rail right-of-ways that you can work with in bringing new service, new rail service——

Mr. O'NEILL. That is correct. I guess there would be one piece of tunnel on the Red Line extension, if you are familiar with Boston, specifically Cambridge, from Harvard Square to the B. & M. railroad at Davis Square, Somerville, at which point it follows the railroad throughout the rest of the area.

I think with the exception of perhaps 1 or 1½ miles of needed tunnel, all the others would be railroad or land banked properties, that have been acquired.

Senator WILLIAMS. As I recall there are opportunities for people to ride, park—drive, park, and then ride the MTA into Boston.

There used to be parking areas out on the circumference of 128. Is that still part of your transportation picture?

Mr. O'NEILL. That is part of the commuter rail transportation system we have. It is not really part of the MTAX rapid transit yet. There is basically a crying out of the need for the extension of the Red Line going north of the city of Boston.

There are some, by example, 60,000 automobiles traveling over one area of the city of Cambridge. That is an awful lot of congestion during two parts of the day, but we would like to relax that traffic congestion if we possibly can, in a series of stops along the way so that we will be able to pick up some of that congestion in a piecemeal fashion before it hits Boston.

Senator WILLIAMS. That is the rapid rail line. What is the commuter rail?

Mr. O'NEILL. What you are speaking about goes from 128 to Boston. That is situated in Dedham, Mass. That will go directly to the South Station.

Senator WILLIAMS. What is the rail? Is that the Boston-Maine?

Mr. O'NEILL. That rail has been bought up by the MBTA, too, but we separate the two programs. They are both owned by the Massachusetts Bay Transit Authority.

Senator WILLIAMS. The transit authority has bought all of its commuter lines within its authority and jurisdiction?

Mr. O'NEILL. Yes. When ConRail came in they decided to abandon some of the tracks. We bought some of those abandonments with the

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idea we might utilize them for mass transit or perhaps our own lines as well. We also own the main Amtrak line to the Rhode Island border from a 1973 purchase.

Sentaor WILLIAMS. The MTA has the reputation of being the most effective, efficient transit authority in the country.

Mr. O'NEILL. Given the antiquated aspects of the system, with a legacy of reactionary maintenance of some parts, I think we do have a very progressive system in a valiant attempt to provide that balanced mode of transportation for the people of Boston.

I think we are succeeding. We have some measure of marked success, but again we have to look to Washington for funds because without it we can't deliver the program.

Senator WILLIAMS. You have put part of your highway opportunities, the interstate money into—on a transfer to mass transit; is that correct?

Mr. O'NEILL. That is correct.

Senator WILLIAMS. $300 million. That was one of the reservations?

Mr. O'NEILL. Yes.

Senator WILLIAMS. What did you give up? What highway plans were shelved to accommodate transit.

Mr. O'NEILL. In the late 1960's and early 1970's there was an effort that was again successful to stop future highway construction within the core center area of Boston, our capital city.

Consequently, land that had been purchased for highway construction instead has been given to what we call the southwest corridor or the Orange Line over which we will use both commuter rail and transit. That provides us an opportunity to create the economic development that really is desperately needed in that area.

When we made that commitment in the late 1960's and early 1970's, we asked that the interstate transfer from the highway fund be transferred into construction of rapid transit.

Senator WILLIAMS. Can you project what your situation would be if the mass transit, urban mass transit program, did not receive now additional funding and funding for the next 2 years, say?

Mr. O'NEILL. I would think without the bill, without the additional funding that is intended in some sections of the bill that we wouldn't have that total commitment and the contractual agreed upon basis that we need in order to put the construction program together for the Commonwealth.

Basically therein lies the need for the bill and our increased funding is coming from the bill. We want that long-term commitment, and we want the contractual format so there isn't a piecemeal year-by-year basis of construction, but a long-term basis of construction, where we know a project is going to be started up and completed.

Senator WILLIAMS. You are the Lieutenant Governor.

Mr. O'NEILL. That is correct.

Senator WILLIAMS. You are talking now to the program where the applicant would be the MTA. This must mean that you have a close relationship, working relationship between the State and the MTA.

Mr. O'NEILL. If you are asking the larger question about my role as Lieutenant Governor, I am fortunate enough that I get along with my Governor and he puts me in charge of Federal-State relations.

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It is my job to come down to Washington and bring back those needed programs of money.

Senator WILLIAMS. The Massachusetts Bay Transit Authority operating directly in line with authority from the Governor——

Mr. O'NEILL. We feel we have a balanced scheme of transportation the way it should operate in basic regions of the State.

Our transportation secretary within the Commonwealth would have online policy guidelines in working with the different authorities.

By statute the MBTA is an autonomous authority within the Commonwealth of Massachusetts.

Senator WILLIAMS. Thank you very much. You have been very, very helpful.

Mr. O'NEILL. Thank you very much.

[An additional statement received from Mr. O'Neill follows:]

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ADDITIONAL REMARKS SUBMITTED FOR THE RECORD
by
LIEUTENANT GOVERNOR THOMAS P. O'NEILL
of
MASSACHUSETTS

Transit Service Reliability and Preventive Maintenance

Keeping enough of its fleet in operable condition to meet its schedule requirements and to complete trips without mechanical breakdown has been a persistent problem of the MBTA. This is not just because of the recent bad weather and because part of MBTA's fleet is very old. It is partly because MBTA has not been able to emerge from a posture of reactive rather than preventive maintenance. The problem is being intensified because of the demands of technological innovations now incorporated into new vehicle design. This is a nationwide problem that is likely to get worse before it gets better. It is extremely important since every marketing study that is done indicates reliability is a much more important factor in what can attract people to transit than, for example, travel time. Steps have been and are being taken at MBTA to solve these problems but a number of things need to be done at the Federal level, starting with more emphasis on reliability and maintainability in DOT's research program and in any standard or model vehicle specifications that are developed, and the financing of training programs for technicians employed by transit operators. The latter provision is addressed in S-208.

An additional step we propose for consideration is the establishment of a Federal program to improve vehicle maintenance, aimed at preserving and making more productive the very large investment which the Federal Government has made and will continue to make in transit vehicles, particularly rail vehicles. We envision a discretionary

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program of not more than $100 million per year to fund the start up of improved preventive maintenance programs for fleets of vehicles purchased or about to be purchased with Federal assistance. A closed end commitment would be made to start each fleet program and sustain it over a period of no more than five years. Each individual fleet's program might start with an initially high Federal matching ratio which reduces gradually during the period of Federal assistance of that fleet.

Transportation for Elderly and Handicapped Persons

Part of S-208 deals with the special needs of the elderly and handicapped. In effect, it would turn into law certain provisions of current UMTA regulations which have only been in effect for a few months and would in certain respects go beyond these regulations. We are undertaking substantial efforts in Boston to provide for services that will truly help our older citizens and those who are handicapped. This is being done under existing laws, UMTA regulations, and State and local policies. We urge that the Department of Transportation be given a chance to gain more experience with these regulations, their effectiveness and their costs before they are made into Federal laws and we therefore recommend that these provisions of S-208 be reconsidered.

Grants for Equipment Acquisition

S-208 contains a provision to set aside $500 million each year to be allocated by formula for the purpose of acquiring equipment, largely vehicles. While we endorse the move to establish a more regular basis for allocating funds for routine replacement of vehicles we have some

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problems with the specific provisions in S-208. First of all, the replacement of rail equipment is more episodic than it is routine and should not be covered by a formula. Secondly, since only buses would be covered, the annual amount should be reduced from $500 million to "not more than $400 million." Third, no guidance is offered regarding the "formula" which the Secretary would be required to promulgate and we urge that it be based on the needs associated with regular bus replacement and fleet expansion programs of transit operators to meet operating schedules, and not on some arbitrary figure such as an area's population. Finally, the amount made available by formula should be made somewhat more flexible by language such as "unless the Secretary determines that special circumstances require the funds available to a specific applicant be increased."

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Senator WILLIAMS. Mayor Paul Soglin, mayor of Madison, Wis., has been introduced by the chairman of our committee. I will have to go back and read Senator Proxmire's introduction.

He says you got the best system in the country, so I would say he has opened the door for you to feel pretty good about transit in Madison.

We are very, very much in need of your testimony and this program you are developing and the continuation of this program.

Thank you very much.

STATEMENT OF PAUL SOGLIN, MAYOR, MADISON, WIS.

Mayor SOGLIN. Thank you very much, Mr. Chairman.

I would also like to thank Senator Proxmire for those kind words of introduction.

My name is Paul Soglin. I am mayor of Madison, Wis., and I appear before you today on behalf of the U.S. Conference of Mayors to testify in support of S. 208, the National Mass Transportation Assistance Act of 1977.

The Conference of Mayors has repeatedly stressed the necessity for local general government to play an effective role in tying together local programs and resources with Federal assistance to achieve concurrently both national and local objectives. National and local efforts to recover from the worst economic turndown in more than a generation require that all governmental resources be used efficiently and effectively.

In terms of our Nation's services, in delivering services, we must remember that proper planning is the key to development, and any discussion of planning for development for agencies must include transportation. The recovery must occur in a fashion which produces positive short- and long-range effects at the local level. Mass transportation is an area in our economy which can have a short-range impact on stimulating economic growth while at the same time providing a sound foundation for long-term economic and social improvement. In the long run, transportation will have an important influence on the shape and nature of the physical environment of our communities.

It is, therefore, important to us at the Conference of Mayors and in cities across the country that the Federal Government adopt this year legislation which will accomplish the objectives of S. 208. We cannot afford to have a moratorium on effective local action supported by the Federal Government to deal with both short- and long-range transportation issues.

While the bill does not do everything we would like to see accomplished in the field of Federal support to mass transportation, it does, however, provide a necessary step which must be taken promptly if we are to avoid a reversal of the progress which has been made in many communities such as my own.

Last year, shortly after the Presidential election, the Conference of Mayors scheduled a meeting in Chicago. The result of our effort was development of a national urban investment program, a program designed to insure that we obtain economic recovery while benefiting the majority of our population which lives in the cities. With respect

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to transportation, the program states that the primary legislative priority is the immediate extension and expansion of the urban mass transportation program.

Essential aspects of this legislative effort are:

Capital assistance for major transit investment should be increased to provide an average level of $2 billion a year for the 6-year period from 1978 to 1983.

Additional capital funds for equipment purchase and routine capital activities should be more available on a regular basis at an earmarked level of $500 million per year for the same period.

Operating assistance should be increased with funds apportioned on a basis better addressing need with a guarantee of retaining at a minimum each city's present funding level. In addition, all section 5 funds should be apportioned directly to urbanized areas.

Consideration of a comprehensive urban surface transportation program which permits elected officials to allocate resources among each individual mode—highways, transit, and railroads—and integrate transportation activities with other urban development programs.

S. 208 addresses most of these issues, and includes those on which action is urgently needed.

It will take time to develop and obtain agreement on a unified urban transportation fund and on an urban surface transportation concept. Without legislation such as S. 208 this year, it will be difficult or impossible to maintain the progress which is being made until these new and much-needed improvements in our overall transportation effort can be achieved.

We have made a good deal of progress in my own city of Madison, Wis. Our community has about 170,000 inhabitants and is the central city of a metropolitan area with almost 300,000 population. The city of Madison bought the local bus system in 1970. The bus company had been the victim of strikes and fares had risen. Since the purchase of the company, ridership has increased, new programs have been implemented, and it is fair to say that in Madison we are developing a mass transit ethic.

It is almost on the level of being a poor citizen if one does not take the bus. If one is discussing with their friends, neighbors, business associates how they get to work, it's almost un-Madisonian not to ride the bus.

Senator WILLIAMS. Status, hmm?

Mayor SOGLIN. One loses peer group respect if one does not ride the bus.

This progress has been possible only because of increasing Federal support and growing recognition on the part of the citizens of Madison of the importance of mass transit in achieving a sound, high-quality living environment. Madison is in the scenic Four Lakes area of Wisconsin. It is shaped somewhat like an "H" and the connection between the two major land areas is best achieved through a balanced transportation system with a heavy emphasis on buses. If we lost our bus system, it would mean an additional 15,000 to 20,000 cars a day, traversing the main arterials connecting the two major land areas of Madison, where most of the population lives.

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Since 1970 we adopted a number of specific programs with funding from all levels of government. We have a 5-cent-per-ride downtown shuttle bus, which services the State capitol, city and county offices, and the University of Wisconsin as well as the central shopping area.

There are three special buses for the handicapped, a subsidized ride for our elderly citizens, and arrangements are made for low-cost transportation to special events. Our bus system illustrates initiative and innovation at the local level designed to meet the special circumstances of our community, hopefully continuing with a good deal of Federal assistance.

There has been a significant increase in ridership since the city purchased the bus company in 1970. Starting in 1971, total passengers have increased by 50 percent from approximately 8 million in 1971 to over 12 million in 1976. We expect to have a ridership of over 13 million in 1977. The number of passengers per vehicle mile has also increased during the same period, indicating an increase in the efficiency of the system. In 1971 there were approximately 2.93 passengers per vehicle mile; by 1976 we had increased that number to 3.5 per vehicle mile.

This efficiency is the direct result of replacement and improvement of the buses. In 1970 the company had a fleet of about 90 buses; most of them had a capacity of 28 to 32 passengers and the average age of the fleet was more than 15 years old. Today we have an active fleet of 120 buses, 80 percent of which carry 38 or more passengers. Our accident rate on buses has been cut in half. These improvements in management and efficiency and ridership are a direct result of efforts on our part, support from State government, and Federal assistance.

This progress is justification for the increasing public subsidy to the bus system. In 1970 our operating deficit per passenger was 10 cents; by 1976 it has increased to 23 cents per passenger. The city of Madison has had a significant financial responsibility for the bus company for years, and it will continue to do so.

In 1974 the State began to provide some assistance and Federal aid for operations began in 1975.

We support S. 208 because it reflects a sophisticated understanding of what is needed for cities. The section 5 formula grant program is extended for an additional 2 years. A discretionary fund is established to deal with special problems including inequities in the present formula. The $500 million per year section 3 set-aside for equipment relacement will ease the competition between cities needing new rapid rail and those which require routine equipment replacement. These proposals recognize the diversity among cities and their needs require that a high degree of flexiblity be provided in Federal legislation. They also reflect the importance of future commitments to local planning. S. 208 provides a framework for effective Federal-local partnership by increasing and extending section 3 and section 5 authorizations for a 5-year period from fiscal year 1978–82.

When we evaluated the services in our communities we have to take into consideration the effects of urban sprawl, sewer systems, providing employees fire protection, as well as a public transportation system and the recreational needs of the community.

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Transportation systems are absolutely critical in any sense of the word when we talk about planning. It is through the transportation systems that we can move large numbers of people with relatively inexpensive costs. Oftentimes we talk about subsidy for public transportation. I would prefer that we not use the word "subsidy" but talk about operating expense.

We no more subsidize public transportation than we subsidize the automobile, we subsidize garbage collection or police protection. It is clear to us that action this year is critical. Without action there will be no new section 3 rapid rail pledges. The numbers on the charts prepared by ths committee reflect the squeeze which will be placed on cities needing new buses or to modernize existing light rail systems if new authorizations are not provided. This squeeze results from obligations against past pledges which are increasing as communities move into advanced stages of construction.

The pace at which communities have successfully sought pledges has exceeded expectations at the time the 1974 act was adopted. Failure to review the status of the mass transit fund every 2 years, as specified in the law, has led to the present crisis. Adequate levels of authority for the various types of needs as set forth in S. 208 will militate against a distortion of priorities. Communities shoud not be forced into one mode or approach because of availability of Federal funds.

Funds must be available when needed and in the proper categories if transit systems are to respond properly to local needs defined though the new highly developed planning and citizen involvement processes.

There is a cost to the Government of insuring high-quality transportation facilities for people of all ages, income groups, and circumstances. Our experience in Madison, particularly during the period of the 1970's, has given us a sound basis for continuing the progress we have made. We cannot become wedded to one system of transportation in the 1970's and 1980's as we have in the past. Just as we couldn't be tied to the automobile in the post-World War II, we can't today be tied to the bus as the ultimate transportation in our community.

Our own long-term plans include consideration of the acquisition of rail yards and right-of-ways to incorporate a light rail system as an adjunct to our bus system, so that we can provide better service to the whole metropolitan area.

All of these efforts are closely tied to community development, economic development, the city's capital budget, and other governmental services.

We now have a system which is working involving the local government and the Federal Government. That system needs to be improved and it needs to be adequately funded.

S. 208 is a necessary, urgently needed component of an effective partnership of all levels of government.

Thank you very much.

[Complete statement of Mayor Soglin follows:]

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TELEPHONE: 293-7300
(AREA CODE 202)

UNITED STATES CONFERENCE OF MAYORS
1620 EYE STREET, NORTHWEST
WASHINGTON, D. C. 20006

STATEMENT BY

THE HONORABLE PAUL R. SOGLIN
MAYOR OF MADISON, WISCONSIN

ON BEHALF OF THE

UNITED STATES CONFERENCE OF MAYORS

BEFORE THE SENATE

SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS
of the
COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

FEBRUARY 24, 1977

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My name is Paul Soglin, Mayor of Madison, Wisconsin, and I appear before you today on behalf of the United States Conference of Mayors to testity in support of S.208, the National Mass Transportation Assistance Act of 1977.

The Conference of Mayors has repeatedly stressed the necessity for local general government to play an effective role in tieing together local programs and resources with federal assistance to achiev concurrently both national and local objectives. National and local efforts to recover from the worst economic turndown in more than a generation require that all governmental resources be used efficiently and effectively. Not only must recovery take place, it must occur in a fashion which produces positive short and long range effects at the local level. Mass transportation is an area in our economy and in our every day life which can have a short range impact on stimulating economic growth while at the same time, providing a sound foundation for longer term economic and social improvement. In the long run, transportation will have an important influence on the shape and nature of the physical environment in which most of our citizens live.

It is, therefore, important to us at the Conference of Mayors and in cities across the country that the federal government adopt this year, legislation which will accomplish the objectives of S.208. We cannot afford to have a moratorium on effective local action supported by the federal government to deal with both short range and long range transportation issues. S.208 does not do everything we would like to see accomplished in the field of federal support to mass transportation. It does, however, provide a necessary step which must be taken promptly if we are to avoid a reversal of

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the progress which has been made in many communities such as my own.

Before the Presidential election last year, the Conference of Mayors scheduled a meeting to be held in Chicago a week after the election; regardless of the outcome, we wanted to establish priorities for legislative action for the new administration. The result of our efforts was a National Urban Investment Program. It is a program designed to ensure that we obtain economic recovery while benefiting the majority of our population which lives in cities. This overall program attempts to tie together local and federal actions and to place the major programs of federal aid to cities into a national urban investment strategy.

With respect to transportation, the program states that the primary legislative priority is the immediate extension and expansion of the Urban Mass Transportation Program. Essential aspects of this legislative effort are:

- Capital assistance for major transit investments should be increased to provide an average level of $2 billion a year for the six year period from 1978 to 1983.
- Additional capital funds for equipment purchase and routine capital activities should be more available on a regular basis at an earmarked level of $500 million per year for the period 1978 to 1983.
- Operating assistance should be increased with funds apportioned on a basis better addressing need with a guarantee of retaining at a minimum each city's present funding level. In addition all Section 5 funds should be apportioned directly to urbanized areas.

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- Consideration of a comprehensive urban surface transportation program which permits elected officials to allocate resources among each individual mode -- highways, transit and railroads -- and integrate transportation activities with other urban development programs.

S.208 addresses most of these issues, and includes those on which action is urgently needed.

It will take time to develop and obtain agreement on a unified urban transportation fund and on an urban surface transportation concept. Without legislation such as S.208 this year, it will be difficult or impossible to maintain the progress which is being made until these new and much needed improvements in our overall transportation effort can be achieved.

We have been making progress in my town of Madison, Wisconsin. Our community has about 170,000 inhabitants and is the central city of a metropolitan area with 290,272 population. The city of Madison bought the local bus system in 1970. The bus company had been the victim of strikes and fares had risen. Since the purchase of the company, ridership has increased, new programs have been implemented and it is fair to say that in Madison we are developing a mass transit ethic. This progress has been possible only because of increasing federal support and growing recognition on the part of the citizens of Madison of the importance of mass transit in achieving a sound, high quality living environment. Madison is in the scenic Four Lakes area of Wisconsin. It is shaped somewhat like an "H" and the connection between the two major land areas is best achieved through a balanced transportation system with a heavy emphasis on buses. If we lost our bus system,

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it would mean an additional 15,000 to 20,000 cars a day, traversing the main arterials connecting the two major land areas of Madison, where most of the population lives.

Since 1970 we adopted a number of specific programs with funding from all levels of government. We have a 5¢ per ride downtown shuttle bus, three special buses for the handicapped, a subsidized ride for our elderly citizens, and arrangements are made for low cost transportation to special events. Our bus system illustrates initiative and innovation at the local level designed to meet the special circumstances of our community.

There has been a significant increase in ridership since the city purchased the bus company in 1970. Starting in 1971, total passengers have increased by 50 percent from approximately 8 million in 1971 to over 12 million in 1976. The number of passengers per-vehicle mile has also increased during the same period, indicating an increase in the efficiency of the system. In 1971 there were approximately 2.93 passengers per-vehicle mile, by 1976 the number had increased to 3.5. This efficiency is the direct result of replacement and improvement of the buses. In 1970 the company had a fleet of about 90 buses; most of them had a capacity of 28 to 32 passengers. Today we have an active fleet of 120 buses, 80 percent of which carry 38 or more passengers. Our accident rate on buses has been cut in half. These improvements in management and efficiency and ridership are a direct result of efforts on our part, support from state government and federal assistance.

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This progress is justification for the increasing public subsidy to the bus system. In 1970 the operating deficit per passenger was 10¢; by 1976 it has increased to 23¢ per passenger. The City of Madison has had a significant financial responsibility for the bus company for years. In 1974 the State began to provide some assistance and federal aid for operations began in 1975. Subsidies from the State have started to decline.

We support S.208 because it reflects a sophisticated understanding of what is needed for cities. The Section 5 Formula Grant Program is extended for an additional two years. A discretionary fund is established to deal with special problems including inequities in the present formula. The $500 million per year Section 3 set aside for equipment replacement will ease the competition between cities needing new rapid rail and those which require routine equipment replacement. These proposals recognize the diversity among cities and their needs require that a high degree of flexibility be provided in federal legislation. They also reflect the importance of future commitments to local planning. S.208 provides a framework for effective federal-local partnership by increasing and extending Section 3 and Section 5 authorizations for a five-year period from FY 78-82.

It is clear to us that action this year is critical. Without action there will be no new Section 3 rapid rail pledges. The numbers on the charts prepared by this Committee reflect the squeeze which will be placed on cities needing new buses or to modernize

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existing light rail systems if new authorizations are not provided. This squeeze results from obligations against past pledges which are increasing as communities move into advanced stages of construction.

The pace at which communities have successfully sought pledges had exceeded expectations at the time the 1974 Act was adopted. Failure to review the status of the Mass Transit Fund every two years, as specified in the law, has led to the present crisis. Adequate levels of authority for the various types of needs as set forth in S.208 will militate against a distortion of priorities. Communities should not be forced into one mode or approach because of availability of federal funds. Funds must be available when needed and in the proper categories if transit systems are to respond properly to local needs defined through the new highly developed planning and citizen involvement processes. Inclusion in S.208 of amendments (S.622), the provision from the Mass Transit Act approved last year by the Senate, would strengthen the requirement for program review every two years. The Conference of Mayors continues its support of these amendments.

There is a cost to the government of insuring high quality transportation facilities for people of all ages, income groups and circumstances. Our experience in Madison, particularly during the period of the 1970's, has given us a sound basis for continuing the progress we have made. Our long term plans include consideration of the acquisition of rail yards and right-of-ways to incorporate a light rail system as an adjunct to our bus system. All of these

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efforts are closely tied to community development, economic development, the city's capital budget and other governmental services. We now have a system which is working involving the local government and the federal government. That system needs to be improved and it needs to be adequately funded. We have been making our commitment at the local level and will continue to do so. We recognize, however, that success requires a full partnership with the federal government.

S.208 is a necessary, urgently needed component of an effective partnership at all levels of government to enable local communities to develop, implement and manage balanced transportation systems, which are an important part of overall city revitalization efforts. We urge your prompt approval.

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Senator WILLIAMS. In your statement, you are talking about the operating deficit per passenger. In 1970 it was 10 cents. By 1976 it was increased to 23 cents per passenger. Then you go to the State assistance and Federal aid for operations. That began in 1975. The subsidies to the State have started to decline.

I am just wondering, you eschewed to some extent the use of the word "subsidy." You have used it and said the subsidy has started to decline. The operating deficit per passenger is going up, the State contribution is going down.

Mayor SOGLIN. We have a particular problem in our State. The State funds were set aside of some specific amount for public transportation in Wisconsin. At the time the legislation was adopted the city of Milwaukee did not have a public system. It was privately owned. It's now been taken over by Milwaukee County, so Milwaukee County has been brought into the system, thus we do receive the amount of moneys available to all the communities in the State.

There is presently a bill before the legislature in the present session which will hopefully correct this problem.

But in the last half of the biennium, 1976, it did mean a reduced level of State support for our city.

Senator WILLIAMS. I see. In other words, you had a significant demand upon the State, new demand upon the State from Milwaukee.

Mayor SOGLIN. Yes.

I might just point out, in terms of the figures going from 10 cents to 23 cents, it is my belief that that is a bargain, given the increased labor costs and, more importantly, the increased fuel costs. When we are charging 25 cents a ride, with a 23-cent subsidy or operational cost, as I prefer to call it, is a minimal figure, given what we are saving in other areas. I think this is a very important point.

We have virtually done no new road construction, haven't had the need to do it. Where no new road construction is taking place, where it is, it is for the purposes of the safety and to funnel existing traffic out of residential neighborhoods. It is not designed to increase the capacity for the automobile. The money we are saving in construction, the money we are saving in fuel consumption, the money we are saving in not having to provide parking facilities, all has to be offset against this cost.

Senator WILLIAMS. How does—first of all, what is the city's contribution to the operating expenses of transit?

Mayor SOGLIN. This past year, for 1977, it is $684,000.

We reached a high point in 1973 of $830,000. An additional 380,000 for capital budget. Then we dropped in 1974 to $450,000 as we began to receive money from the Federal Government. Last year and this present year is in the area of $650,000 to $680,000, coming from a city that collects for its own municipal purposes $22 million in tax levy off the property tax.

Senator WILLIAMS. In percentage terms, what is the State, city, and Federal contributions to the operating expenses of your system?

Mayor SOGLIN. In percentage terms, the total operating cost of the city system is $5.3 million. Closer to $5.4 million, of which $1.4 million comes from the Federal Government; $2.4 million, slightly less than half, $2.5 million comes from the fare boxes themselves. Then the

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remaining $14 million comes—approximately 50-50 from the State and the city. There is some contribution——

Senator WILLIAMS. There is about an equal contribution. Federal and State and city.

Mayor SOGLIN. And local, yes.

Senator WILLIAMS. And fare box. Has there been any Federal pressures on you and on the system to increase the fare box contribution?

Mayor SOGLIN. No. There is not. Our feeling at this point is we are against any fare box contribution, given we would probably suffer a loss in ridership and any increase in fare box, while it may lessen the burden on our own property tax and the burden on the State and local government to a slight degree, in terms of looking at the accounting ledger for the bus system, it would be offset by greater expenses in terms of maintaining streets and highway systems, in terms of fuel consumption and so on.

Senator WILLIAMS. All right.

Let's go back to the fare. The average ride——

Mayor Soglin. The basic ride is a quarter. There is a nickel if you go to one of the outer zones.

Senator WILLIAMS. Has that been increased within the last 2 years?

Mayor SOGLIN. No. It hasn't been touched in probably close to 8 years now. That is one thing in our city that hasn't gone up in price.

Senator WILLIAMS. You know it has been said from here a thousand times that reliance on the fare box for most of the expenses is self-defeating, and that we will have that cycle of decline. Increase the fare, reduce the riders. And we will defeat our objectives.

Yours is the best example I have heard in a long, long time of maintaining a reasonable fare and stimulating ridership. That has been your experience.

Mayor SOGLIN. That is absolutely correct, Senator.

If you take our fare and add to it what the operating cost is on a per-passenger basis, that still comes to a number that is lower than the fare collected in fare boxes in most other communities.

Senator WILLIAMS. It is a story that demonstrates the success of the principle that we should find ways to stimulate ridership.

Mayor SOGLIN. We should do that and we shouldn't be afraid of what I would call "loss leaders." There are some systems, some routes we run where we know we lose money; we know we lost more than we perhaps should have but if we lose the riders on those routes, if we close that route down, they will go to a second automobile or third automobile in their family. When they go to the second and third automobile, we not only have lost them on that first route, but we lose them on our other routes as well.

To be effective, a transportation system has got to be complete. It has got to be a complete alternative to the automobile for the family. We cannot run just at certain hours of the day. We cannot run just certain routes covering one section of the city and not another.

Senator WILLIAMS. Now, the section 5 money has been running at local option to about 94 percent, for operating expenses. This was criticized here a year or two ago, as being a wasteful expenditure. I gather that is one way of putting it, but the administrator of UMTA thought that this was not the best distribution, not the best decision to go above 50 percent out of section 5, where there was the local option written in.

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We disagreed by saying that is the way we wrote it, that this can be used either way. Capital or operating. It is a local option and the local option is coming up to operating expenses.

How do you look at the congressional approach as to local option, section 5 money, and should there be any limitations on the community in using the section 5 money?

Mayor SOGLIN. I guess I am a little prejudiced. I deal in a good deal of local options, a good deal of flexibility, particularly when we are talking about planning. When we are talking about developing a system and experimenting. We have done a number of experiments.

In all fairness, Senator, we have tried a couple of things that have failed, but we have received some excellent technical assistance from some of the people we have worked with in UMTA. I don't think that should go unnoticed. We have worked with them about developing our programing, about routes, and construction of the routes; we have talked with them about peripheral parking lots.

We would like to go to a light rail system and we think that flexibility has got to be there because we are trying to tie in our transportation system. As I pointed out in the test, there is a whole host of problems in the city, and transportation is one vital element. We have to be able to fit in transportation when we start talking about construction of housing, location of new industry, because I don't believe forever that the cities are going to be faced with patterns of disinvestment. I believe our cities are going to come back. We have to have flexibility to know if tomorrow, new industry is going to locate in our city or any other city in the country, and employ a substantial number of people.

We have to know where the housing is going to be located and we have to know how we are going to be able to move people from one point to another. That has to be coordinated at the local level.

Senator WILLIAMS. I might have missed it, but do you have any suggested changes in our handling of the formulas for distribution here?

Mayor SOGLIN. I believe that there ought to be some consideration—I am trying to find the exact reference.

There has got to be more consideration. Here I speak for our friends in the larger cities.

Senator WILLIAMS. Well, you do. You are here for the conference; aren't you?

Mayor SOGLIN. Yes.

Senator WILLIAMS. The $250 million discretionary, this is not created in response to the Madison, Wis., kind of situation. It is the areas of, the greater density of population, but also greater ridership. Would you address yourself to that?

Mayor SOGLIN. From a very unselfish standpoint I do think the larger metropolitan areas ought to be receiving a good deal more money on a per passenger basis.

If I am not mistaken in some of the areas of over 750,000, 1 million population, the assistance basically comes to 3 or 4 cents per rider.

In some of the sparsely populated smaller communities, it comes to 80 cents, 90 cents, in some cases even $1 a rider.

To be effective there has to be support on a per ridership basis.

The investment will pay off. The situation, for example, in New York, some people have pointed to declining ridership levels in New York City.

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New York has lost 600,000 jobs in the last couple of years. Undoubtedly, that will lead to a decline in ridership.

But we have to take into consideration the large numbers of people that must be moved in the system, and the disastrous consequences of the failure of those systems.

It is going to be difficult enough to watch a system like the one in Madison fail; but if the system in Chicago, Detroit, New York, Los Angeles, Boston, would go under, the economic consequences to those urban areas and to this country would be devastating.

Senator WILLIAMS. I am reminded that the Sierra Club suggested that operating subsidies should be tied to increased services and management efficiencies.

That would add a new factor, really, and new demands in many dimensions. Do you have any observations on the linkage here?

Mayor SOGLIN. I have two observations on that point. I think the goal is a correct one. If we have to say it is going to happen tomorrow, it won't be successful. I think there has to be an investment made that won't pay off for a couple of years. At one point we were investing $100,000 or $200,000 a year in our system, and it seemed first there was very little success in that investment, in terms of ridership, getting equipment to run efficiently, and we had to add a number of route changes, which I might add was confusing to the public trying to find out how to make the system work the best.

I just want to make the point; we have to look 1, 2, 3 years down the road and realize that a multimillion-dollar investment in capital funds, and operating assistance is not going to pay off tomorrow. Our success in 1976 and 1977 did not result from work that began in 1974 and 1975.

It goes all the way back to 1970.

The other point that ought to be made in regards to the question, is that perhaps what could be done is within the formula, building incentives for success, so that if one can produce a more efficient system—here I am speaking from a selfish standpoint, because regardless of the criteria, Madison would make out quite well; but I believe the communities that are willing to make their own commitment, before State and Federal assistance, if they produce results that show increase in riders per mile, show increases on a per capita basis in the community and so on, there ought to be incentives for communities.

I would much rather encourage people rather than threaten them.

Senator WILLIAMS. How have you responded to the needs of those who travel with the handicapped? Yours is entirely at this point a bus system. You are talking of light rail, but you are still a bus system.

Mayor SOGLIN. Completely a bus system at this point.

Senator WILLIAMS. How do you handle that?

Mayor SOGLIN. With Federal assistance we purchased three buses this year for elderly and handicapped. We worked on it for quite some time, because we were not at all satisfied with the designs we had seen in the vehicles.

What we ended up doing is purchasing three Winnebagos and putting a lift in them. We are carrying somewhere in the vicinity of 300 passengers a month. It is 50 cents or $1 per ride, depending upon the time of day, and these vehicles are available on a call basis.

So far it has been quite successful.

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This is how we are providing special services for the elderly and handicapped in our community, in terms of those who have difficulties with physical mobility.

Senator WILLIAMS. This had to be developed, this particular system, because the marketplace equipment was not adequate.

Mayor SOGLIN. The present equipment cannot accommodate; the present state-of-the-art bus that is on the street in most of our cities cannot accommodate a wheelchair and in some instances the way the stairwells are designed on those buses, if someone has a stiff leg, it is very inconvenient to step.

Senator WILLIAMS. You are a vehicle-maufacturing State—are any buses manufactured in Wisconsin?

Mayor SOGLIN. That is an embarrassing question. I don't believe American Motors is making any.

The Janesville plant isn't. I believe they are only manufacturing Chevrolets, a very energy-efficient vehicle.

Senator WILLIAMS. So it would be best to have a vehicle available without going to the Winnebago or——

Mayor SOGLIN. I think it depends on the community. With our special equipment, we can provide door-to-door service. It would be nice if every vehicle had a lift in it, but what I guess I want to stress is that to some communities that may not be the most effective way of delivering the service.

Say we have a route running down University Avenue to the State capitol and a person confined to a wheelchair lives only 1 block from that stop and has to go 1 block from where they disembark to work. While we have curb cuts and we keep the streets shoveled in the winter, it may be difficult, and a special door-to-door service may be a better one.

Senator WILLIAMS. Now, you do have this on-call service?

Mayor SOGLIN. Correct.

Senator WILLIAMS. What are the hours of availability, week days, what is the weekend situation?

Mayor SOGLIN. It is available from, I believe, 6:30 or 7 in the morning until close to midnight, 7 days a week. It goes to—it goes anywhere people want. We try and structure some rides in peak hours of that service, for example, to cover clinics, hospitals, shopping, and so on.

Senator WILLIAMS. You have your—when you give us your 23-cent-a-ride deficit, this is all part of the——

Mayor SOGLIN. It is included, but we still operate it as a seperate system.

Senator WILLIAMS. But this is included in your total figure?

Mayor SOGLIN. Yes, sir.

Senator WILLIAMS. The fare on this specialized service is——

Mayor SOGLIN. 50 cents or $1, depending upon the time of day.

Senator WILLIAMS. And on the costs, do you have the figure in mind what the operating cost per rider is?

Mayor SOGLIN. I am not sure I have that figure with me. No. I don't. I have some other figures, but not that one.

Senator WILLIAMS. This is available on call. What is the experience, what kind of notice is needed and how long is it before a rider putting in a call is served?

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Mayor SOGLIN. With three vehicles in operation, a call can still be handled if it came in 2 or 3 hours before the entire trip, so we try and get 24 hours' service.

Senator WILLIAMS. That was an excellent statement.

Thank you very much.

We will now proceed with a panel from the American transportation system. We are going to have to recess for 5 minutes while I start another hearing.

[Recess.]

Senator WILLIAMS. We will reconvene. I would like to read a statement that Senator Stevenson left with me, because he couldn't be here, because he is in another meeting.

I am sure that can be understood. He would have been pleased to welcome James J. McDonough, chairman of the Chicago Transit Authority, and the chairman of the American Public Transit Association, to the hearing today.

Adlai says:

He is a man who needs no introduction to those who are concerned about the Nation's mass transit problems.

As chairman of the Chicago Transit Authority, he presides over the second largest operating public transit agency in the country, one of the few comprehensive mass transit systems in the world.

The American Public Transit Association, which he chairs, represents over 300 operating mass transit systems, carrying over 90 percent of the Nation's public transit riders.

Senator Stevenson has been acquainted with Mr. McDonough for a number of years and knows his views on mass transit problems are widely respected across the country and assures us Mr. McDonough's comments will be of help to the committee in deliberations on the pending litigation.

Again, he regrets he couldn't be here, because of another committee assignment.

We welcome you, Mr. McDonough.

STATEMENT OF JAMES McDONOUGH, ACTING CHAIRMAN, CHICAGO TRANSIT AUTHORITY, AND CHAIRMAN, AMERICAN PUBLIC TRANSIT ASSOCIATION, ACCOMPANIED BY LOUIS GAMBACCINI, VICE PRESIDENT AND GENERAL MANAGER OF THE PORT AUTHORITY TRANS-HUDSON CORP AND VICE PRESIDENT FOR GOVERNMENT AFFAIRS, APTA, AND B. R. STOKES, EXECUTIVE DIRECTOR, APTA

Mr. MCDONOUGH. Thank you, Mr. Chairman, and I thank Senator Stevenson for the fine introduction.

I am happy to appear before your committee today in my dual capacity as chairman of the American Transit Association and also acting chairman of the Chicago Transit Authority, and to testify in behalf of the proposed legislation which we think is extremely vital for this entire country.

I am joined today by two distinguished people who will assist later in answering questions.

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On my right is Mr. Louis Gambaccini, the vice president and general manager of the Port Authority Trans-Hudson Corp. and also vice president of Government Affairs of APTA.

On my left is Mr. Bill Stokes, executive director of APTA.

As you know, I have issued to you a prepared statement which I have provided to the entire committee and following that, as I have indicated, I would welcome any questions you or anybody else might have.

Senator WILLIAMS. Fine.

Mr. MCDONOUGH. Let me start my comments by congratulating you personally for your leadership and understanding in bringing together this very important bit of legislation.

We think it is extremely important and vital to the well-being of the entire country, so we congratulate you in that important role.

We will assist in any way we can in bringing the facts before the public.

Senator WILLIAMS. I appreciate that very much.

Mr. MCDONOUGH. Public transportation is one of the several important urban activities making a contribution to the revitalization of all of our Nation's cities.

Public transportation promotes concentration rather than dispersion: Concentration of work activities, social activities, residential activities, and cultural activities.

This concentrating effect over the long haul will be one of our Nation's answers to our critical energy crisis, to the maintenance of a high quality of life, to the creation of physical arrangements that promote our economic development and general well-being, and to increasing our efficiency as a society.

I believe it is particularly appropriate that, at the beginning of this new administration, Congress signals its intention to make urban area needs a significant Federal priority, and begins the agenda with these necessary amendments to the Urban Mass Transportation Act of 1964.

The American Public Transit Association at its annual meeting in October 1976 adopted a position on Federal urban transportation assistance which included a set of eight principles and five significant recommendations for legislation.

We affirmed in this action that public transit operators, acting in the public interest, believe in the continued improvement of urban transportation systems and in increasing the contribution that public transportation is making to provide urban areas with productive and efficient transportation.

Just this past weekend, our executive committee and board of directors met to consider S. 208, and adopted a resolution of support, which is the basis of my remarks today.

I request permission, Mr. Chairman, to insert this resolution in the record at this point.

Senator WILLIAMS. We would be glad to have it and we will include it in the record at this point.

[The resolution is reprinted as follows:]

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APTA Resolution on S. 208
Adopted February 20, 1977

WHEREAS the American Public Transit Association (APTA), representing the ion's urban transit operators in the public interest, has carefully reviewed posed Senate Bill S. 208, the National Mass Transportation Assistance Act 1977; and

WHEREAS APTA adopted on October 21, 1976, a Statement on Federal Urban nsportation Assistance which contained specific legislative recommendations; refore, be it

RESOLVED by action of the APTA Board of Directors on this day of February 20, 7, that APTA affirms its overall support of S. 208 and makes the following ments:

— S. 208 proposes an average annual level of Section 3 (capital assistance) for the period 1978-1982 of $2.28 billion, however, APTA has recommended an annual average level of $2.5 billion as essential for continued investment in mass transportation facilities and equipment;

— Consistent with APTA recommendations, S. 208 proposes a set-aside of $500 million annually from Section 3 for transit equipment acquisition, however APTA is concerned that this set-aside be administered to provide an assured supply of funds for equipment replacement purposes and that the procedures used to make set-aside funds available provide substantial relief from current federal application requirements;

— Consistent with APTA recommendations, S. 208 proposes to extend the Section 5 formula grant program from its current expiration date of 1980 to 1982 for $1.25 billion, thus maintaining a five-year increasing federal program commitment to 279 urbanized areas;

— Consistent with APTA recommendations, S. 208 includes substantial additional Section 5 funds for the five-year period 1978-1982 to provide for increased needs for federal operating assistance;

— S 208 proposes to provide these additional Section 5 funds through new discretionary grant authority however, APTA is deeply concerned that discretionary funding for operating assistance would preclude advanced planning and would be destructive of orderly local budgeting and decision making. APTA therefore, recommends that these supplemental funds be apportioned to urbanized areas using a fomula which gives greater weight to trans t ridership local financial effort or density than the current Secion 5 formula. The formula which distributed funds authorized under the original

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Section 5 legislation would be unaffected by this proposal; this second formula would provide supplemental funds to those areas which are in need of additional assistance.

As an alternative to this recommendation of a formula apportionment of the supplemental funds, our objections to discretionary authority could be mitigated if the Secretary were required to develop and publish allocation guidelines for not less than 80% of these discretionary funds, taking into account local financial effort, transit ridership, financial need maintenance of commuter railroad services or such other criteria as he may determine, with such allocation guidelines to be published one year prior to the beginning of each fiscal year;

— Consistent with APTA recommendations, S. 208 proposes to supplement additional Section 5 funds with unobligated funds which were apportioned under the original Section 5 authorization, however, the language of S 208 does not provide for an authorization to obligate as part of the additional funds (new Section 5(d)) these funds which are returned;

— S. 208 proposes to include provisions which passed the United States Senate as S. 662 in September, 1975 and which were not passed by the House of Representatives, including provisions for funding operating expenses in nonurbanized areas removing restrictions on training grants broadening the definition of engineering conversion of certain loans and providing for reporting to Congress of advanced cost estimates APTA has testified in favor of these provisions and again confirms its support;

— S. 208 proposes certain changes in Section 16 of the Urban Mass Transportation Act of 1964 as amended with regard to meeting the needs of the elderly and handicapped. APTA support the principle of local decision making on the appropriate means of providing public transportation services to elderly and handicapped persons Across the United States APTA members are developing and implementing unique and effective local plans to meet the public transportation needs of elderly and handicapped persons, and responsibly implementing federal regulations issued on April 30, 1976, by the Urban Mass Transportation Administration. APTA supports the revisions to Section 16 proposed in S. 208, since they affirm this principle of local control Public transportation will responsibly document the plans and programs for providing mobility for elderly and handicapped persons in their respective urbanized areas to enable the Secretarial determination required in proposed subsection 16(b) (2).

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APTA also supports the development, by October 1, 1978, of a report on the mass transportation needs of the elderly and handicapped, including a comprehensive analysis of the progress made by local transit operators in meeting these challenges and a determination of the economic impact of these efforts. In addition, APTA welcomes the proposed National Advisory Council on Mass Transportation for the Elderly and Handicapped as a means of focusing attention on the broad federal impact of Section 16 policies particularly the aspects of social transportation needs currently provided by funds available from the U. S Department of Health, Education, and Welfare. We are hopeful that such a council will assist both DOT and HEW in increasing the coordination of scarce transportation resources to provide assistance for elderly and handicapped persons.

— APTA recommends that the following additional vital legislative changes be made as part of the National Mass Transportation Assistance Act of 1977:

— Section apportionment must be directed to all urbanized areas not just those over 200,000 persons. The recipient designation process should be extended to the 173 areas of under 200,000 persons to streamline fund delivery and to increase the Section 5 participation of these areas As of June 30, 1976, only 40% of these areas had received Section 5 funds compared to 83% of the areas of over 200,000 persons which are currently covered by the recipient designation process. In many cases the states have already voluntarily initiated the designation of local entities to receive formula grant funds directly;

— Section 3 funds must be made available to increase the federal share of Federal Aid Urban System non-highway public transportation project from the share under Title 23 U.S.C. (about 70%) to be equal to the 80% federal share of regular Section 3 projects;

— In order to finally initiate an orderly cooperative transit research program, APTA recommends that 1% of the additional Section 5 funds each year ($2.5 million) be set aside for joint use by Section 5 designated recipients through a specific agent or agents to conduct hardware and policy research through a consultative process, and managed by the specified agent or agents. We believe that APTA is the appropriate and logical mechanism for such selection and management activities, with the funds flowing through a separate mechanism such as the Transportation Research Board;

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— APTA recommends a separate funding and authorization for assistance to nonurbanized areas. Current language expresses Congressional intent to provide up to $500 million to such areas; however, a separate Section and authorization would strengthen the statutory basis for such assistance, and make the administration of such assistance easier. APTA recommends the addition of Section 18 to the Act, to authorize $50 million annually from FY 1978 to FY 1982 for mass transportation capital and operating assistance for nonurbanized areas to be allocated to the states for distribution. APTA further recommends that the administrative burden on such funds be lightened considerably at the discretion of the Secretary to promote their quick and efficient distribution;

— APTA recommends also that the supplementary capital or operating assistance to be funded pursuant to the new language proposed in S. 208 under Section 5 (e) (1) C, be relieved from the requirements of Section 13 (c) and Section 3 (e) (4). These projects will be to carry out new, innovative or specialized mass transit services, and will be in the nature of exemplary demonstrations of local innovations. As such, they should be relieved of the 13 (c) and 3 (e) (4) requirements which apply to regular operating and capital grants and to other categories of supplemental grants.

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Mr. McDonough. Thank you, Mr. Chairman. I would like to continue, Mr. Chairman, and to present APTA's views on specific features of S. 208.

The National Mass Transportation Assistance Act of 1977 would extend the existing mass transit program by strengthening the formula grant program and increasing the section 3 authorizations.

S. 208 proposes an average annual level of section 3 obligations for capital assistance for the 5-year period 1978–82 of $2.28 billion.

The American Public Transit Association, however, has recommended an average level of $2.5 billion as essential for continued investment in mass transportation facilities and equipment.

We have analyzed the documented plans, programs, and locally committed needs across the country, and we believe that our figure is a reasonable one to continue the program's progress.

Consistent with the APTA recommendations, S. 208 proposes an annual set-aside of $500 million from section 3 for transit equipment acquisition.

I would like to state one concern with respect to this set-aside: that is, that it be administered to provide an assured supply of funds for equipment replacement purposes and that the procedures that are used to make the set-aside funds available provide to the Nation's public transportation operators substantial relief from current Federal application requirements.

S. 208 proposes to extend the section 5 formula grant program from its expiration date of 1980 to 1982, and to authorize funding for 1981 and 1982 at $1.1 and $1.25 billion, respectively.

We believe that this proposal correctly maintains the 5-year program of increasing Federal program commitments for the Nation's 279 urbanized areas that are using this important formula-apportioned resource for public transportation improvements.

The 5-year program duration is an absolute necessity for local project planning and budgeting.

Also consistent with the APTA recommendations, S. 208 includes substantial additional section 5 funds for the 5-year period to provide for increased needs for Federal operating assistance to selected areas.

S. 208 proposes to provide these funds through discretionary grant authority.

APTA is deeply concerned that discretionary funding for operating assistance would preclude advanced planning at the local level.

We recommend, therefore, that these supplemental funds be apportioned by formula to urbanized areas.

The formula chosen for these supplemental funds should, we believe, give greater weight to transit ridership, local financial effort, or density than the current section 5 formula.

The formula which distributes funds authorized under the original section 5 legislation would be, incidentally, unaffected by this proposal.

This proposal would provide supplemental funds to those areas which are in need of additional assistance.

If the use of a second formula as we have described it is not adopted, our alternative suggestion is to require the Secretary of Transportation to develop and publish allocation guidelines for 80 percent of these discretionary funds.

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Assuming these allocation guidelines were published 1 year prior to the beginning of each fiscal year, we believe the discretionary authorizations could be distributed adequately.

Also consistent with the APTA recommendations, S. 208 proposes to supplement additional section 5 funds with unobligated funds which were apportioned under the original section 5 authorization.

We believe that this is a vital contribution to the development of an equitable distribution of funds.

S. 208 also proposes some provisions which were passed by the U.S. Senate in S. 662 in September of 1975, but were not passed by the House of Representatives.

These included provisions for: Funding operating expenses in nonurbanized areas, removing restrictions on training grants, broadening the definition of engineering, converting certain loans to grants, and reporting advanced cost estimates to Congress.

APTA previously has testified in favor of these provisions, and I would like to reaffirm our support.

S. 208 proposes certain changes in section 16 of the Urban Mass Transportation Act with regard to meeting the transportation needs of elderly and handicapped persons.

This issue has been debated earnestly by public transportation operators.

APTA supports the principle of local decisionmaking, which means that each area—based on its situation and information that it can gather on the scope of local needs—must make its own decision as to the best way of providing public transportation services to elderly and handicapped persons.

APTA members across the United States are developing and implementing unique and effective plans to meet the public transportation needs of elderly and handicapped persons and are responsibly implementing Federal regulations issued on April 30, 1976, by the Urban Mass Transit Administration.

Mr. Chairman, if you will permit me, I will leave with you a compendium of articles from Passenger Transport, the weekly newspaper of the transit industry, describing elderly and handicapped services in 46 of America's cities. We would like to have it entered in the record.

Senator WILLIAMS. It will be put in the record at this point.

[The information, as received, follows:]

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moving people

shaping cities

elderly and handicapped public transportation

A COLLECTION OF ARTICLES FROM PASSENGER TRANSPORT

apta

american public transit association

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new york mta adds kneeling buses to fleet and . . .

New York, N.Y. – A milestone in urban bus transportation was reached here recently when the first five of 398 kneeling buses were placed in service by Metropolitan Transportation Authority Chairman and Chief Executive Officer David L. Yunich. A kneeling bus will be assigned to each of the city's five boroughs.

These kneeling buses have a mechanism that enables the front steps to be lowered to within three inches of the curb to make possible easy boarding. Each also has a hip-high railing down the center and vertical handholds approximately in the middle of the bus to give added support to infirm customers.

"What a proud and gratifying moment this is," Yunich said as he placed one of the new buses in service in Manhattan. "It gives me great personal satisfaction to be able to point to a piece of transit equipment that has been designed with the needs of the elderly and the handicapped uppermost in mind."

"Until now we have helped ease the financial burdens of these two worthy groups of passengers through our half-fare plan," he said, "but now for the first time we can offer hardware that will attract these to our buses and make their riding more comfortable."

This is the first bus of its kind in New York, and represents the largest order ever placed for buses designed specifically for senior citizens and the handicapped. Originally, only 50 buses were to have had the kneeling feature, but following successful tests and urging from the community, Yunich increased the order to include all 398.

Each kneeling bus costs $55,707 and is built by the Flxible Co. Each includes not only improvements for the elderly and handicapped, but other features for safety, comfort and efficiency that have become standard equipment on all new buses in the MTA's 4400-vehicle fleet, including air conditioning, two-way radios and the latest engine devices for reducing air pollution.

However, it is the kneeling feature that makes the bus unique. When the operator pulls into a stop, he flips a switch that opens the door and activates a special leveling valve. The standard air suspension system discharges compressed air and the right front end of the vehicle is gently lowered to the curb. The standard height of the first step is 13½ inches, or about seven inches above the curb. The kneeling device reduces the height by three and one-half or four inches, thus putting the first step some three inches above the curb.

Two flashing red warning lights, one in the front of the bus and the other in the stairwell of the front door alert passengers to the kneeling process. When the operator closes the front door, the leveling valve is recharged with compressed air and the bus is raised back to normal position. The whole process of raising and lowering takes 20 seconds.

John C. deRoos, senior executive officer of the New York City Transit Authority, said the buses would be distributed in approximately even numbers to each of the 20 depots of the authority and its subsidiary, the Manhattan and Bronx Surface Transit Operating Authority, and that they would operate in all boroughs.

Purchase of the buses has been made possible with the help of $33 million in federal highway funds to finance New York City bus and subway projects. The total cost of $22,171,386 will be paid on a 70% federal, 25% state, and five percent city basis.

Passenger Transport, January 2, 1976, p. 3; Vol. 34, No. 1.

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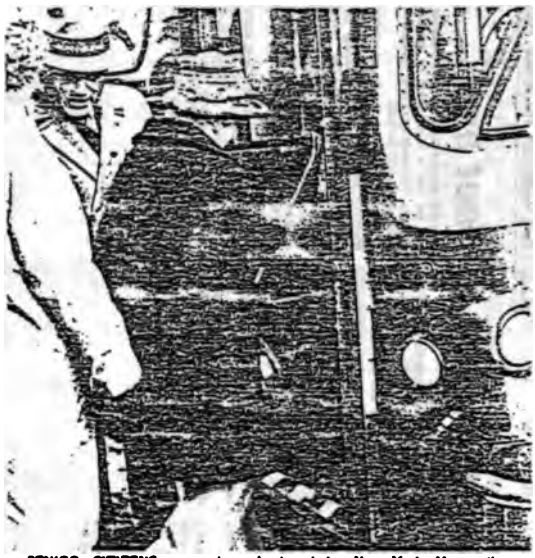

SENIOR CITIZENS are welcomed aboard by New York Metropolitan Transportation Authority Chairman David L. Yunich as the first of 356 kneeling buses makes New York City bow. Each new bus has a mechanism that enables front steps to be lowered to within three inches of curb to make boarding easier for elderly and handicapped passengers.

Passenger Transport, January 2, 1976, p. 3;
Vol 34, No 1.

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cleveland authority notes senior rider increase

CLEVELAND, Ohio—Senior citizen ridership on Greater Cleveland Regional Transit Authority buses and rapid rail transit vehicles has increased by 157% since the RTA became operational last October. This may be the largest increase in riding ever recorded here in Cuyahoga County, senior citizens (with an I.D. card) ride free at all times except weekdays 7 a.m. to 9 a.m. and 4 p.m. to 6 p.m.

Ridership on the RTA has increased by more than 19%, or almost 60,000 additional daily rides, according to the first official system-wide count. Senior citizen rides have increased by more than 16,000 daily rides.

The count also shows that since the RTA was created, weekday ridership increased 19.8% on buses, 1.3% on the RTA Cleveland rapid and 3.6% on the RTA Shaker rapid.

"It was hoped that by the end of the first year ridership would increase 20%," said the RTA. "This is the greatest increase we have ever had or will have." Ridership will probably continue to increase, but at a much smaller pace.

MORE THAN 40 senior citizens attended a recent Greater Cleveland Regional Transit Authority board meeting to offer some cookies, despite the hour, as well as some food for thought on transit service for the elderly to board members. William B. Norris, RTA planning commission chairman is shown accepting a box cookie from Elizabeth Wadel, president of the Senior Citizens Coalition.

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buffalo receives kneeling buses

BUFFALO, N.Y.—The Niagara Frontier Transportation Authority here has received the first 27 buses of a 103-bus order placed last June.

In mid-June NFTA approved bids for the purchase of 103 new buses for Metro Bus. Low bids for the three classes of buses were accepted and orders placed for 13 suburban, 49-seat buses at $1,018,289 from General Motors; 61 transit 50-seat buses at $3,915,224 and 29 42-seat buses at $1,756,259 from AM General.

All buses will have a new kneeling feature.

A pneumatic system permits the front end of the bus to descend or kneel at curb level so that senior citizens, physically handicapped persons and small children can board the buses without difficulty. The bus driver operates the kneeling device which has an audio-visual warning system at the front door. A bell and flashing red light warns the entering or departing passenger to wait as the step is about to kneel or return to normal position, thus emphasizing safety and preventing a passenger from stepping up or down too soon.

Robert G. Decker, executive vice-president of the Niagara Frontier Metro System, notes that under new federal regulations a transit system may have its own inspector at the vendor's plant to monitor assembly, inspect for conformance to specification, and proper operation of all mechanical parts. This has resulted in a minimum of servicing when buses are received which generally includes installation of farebuxes, transfer punchers, and a wash job to remove grime acquired during shipment.

NIAGARA Frontier Transportation authority Chairman Chester R. Hardt stands by while the first customer boards a new kneeling bus.

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small bus system initiates flexible routing

OAKLAND, CALIF.—It may be one of the smallest bus systems in the country, but to the industry it also may be one of the most interesting, says Alan L. Bingham, AC Transit general manager.

Only two buses are in operation in the latest system put into operation by AC Transit under contract with Pleasant Hill, a seven-square-mile suburban community of 28,250 in the center of Contra Costa County on the east side of San Francisco Bay.

But these two buses, instead of following a traditional pattern of fixed route service, are going to where city officials and AC Transit believe people want to go—no matter what kind of routing is involved.

Riders have two *different* systems, which change according to time and destination.

One system takes commuters to and from Pleasant Hill/BART rapid transit station. It consists of two one-way loops, one travelling through the central section of the community and the other circling the perimeter. People ride the preferred loop to get back home in the evening.

After the morning commute, which is over by approximately 8 a.m., the buses switch to another two-line pattern, meeting requirements for shopping, schools, office and business locations, recreation sites and BART.

The design has a practical purpose of serving a maximum number of people with two buses—all that was felt could be financed by Pleasant Hill at the present time.

However, the paradoxical service pattern presents a special challenge. It is confusing and people need to understand it to ride.

Before the start-up, the public information department took steps to inform every resident about the service and how to ride it.

Basic graphics included a map of commuter service, an explanation of how that service worked and timetables for the two commute lines.

The other portion of graphics explained the service for students and shoppers and also included the map and timetables.

The graphics were made into large posters for all public places, including city and county sites, banks and business firms.

The same information was used in a new type of pocket timetable, folded down to usual size, but containing the maps and explanations, as well as schedules, for both commute and off-peak service.

Identical graphics were used in a special eight-page leaflet mailed by the city to all residents. Four pages were devoted to the riding information and four to photographs and other transit data.

An extra 5000 schedules were published and put into schedule holders throughout the city. Copies of the timetable were placed on all cars in the BART parking lot.

The celebration which marked the start of service was the most enthusiastic in AC Transit experience and required three extra buses for invited guests who wanted to get the two-bus system off to a good start.

"What AC Transit is doing in Pleasant Hill is pointing the way to a whole new thought in route planning, a concept which may be of great value in future suburban transit operations," Bingham says. "Instead of one uniform line, which runs over the same streets during all operating hours, we are operating service planned especially—and right down to the minute—for specific needs of the people. We take people to work then use the same buses on *different* routes during other hours to take people to other places."

A similar pattern of commute and midday service is being planned for the town of Moraga, which is contracting with AC Transit for a three-bus system to start April 5.

AC Transit already is operating service under contract with BART and with the City of Concord. Several other cities are planning for similar contract transit systems.

BUSES EXPECTANTLY are going where people want them in a new small system planned by W. E. Robinson, transportation engineer for AC Transit. Graphics, explaining what the system does in commuter hours and again in off-peak hours, were developed and distributed to all residents in the suburban community of Pleasant Hill.

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toledo's destination signs make it easy on the eyes

TOLEDO, OHIO - Transit passengers here are seeing more clearly these days.

That's because TARTA is installing new front and side destination signs in all buses purchased since 1970. Also, an additional 40 buses now under construction will be delivered to TARTA with the new white on blue signs before February.

Costing a total of $72,000, the new retrofitted front signs feature an electric triple-curtain display showing route numbers, branch letters, and route destinations. The signs are being installed at a rate of five per day.

All messages on the new signs are displayed in a modified Helvetica medium upper case style created especially for TARTA for maximum clarity and simplicity. The new signs represent the third phase of TARTA's expanded public information system and the first phase of TARTA's elderly and handicapped service improvement program.

Every destination in the front curtain has been simplified to allow for bigger letters and to correspond exactly with time points in current TARTA timetables. Destinations have also been rearranged and interspersed frequently with the message "DOWNTOWN" to reduce the time interval for bus operators changing from inbound to outbound signs.

With a large selection of numbers and letters, the new sign system affords TARTA complete flexibility in displaying additional routes and branches as the system expands. With the old double-curtain front signs, route names were listed along with route numbers. Thus, any branches (e.g. 21A) or new routes could not be displayed in the destination sign and required the purchase of special window cards, which were small and difficult to read at night.

To assist TARTA customers in the transition to the new system, special brochures have been distributed aboard every route. To inform senior citizens of the improvement, TARTA arranged a special preview showing a sample sign to its senior liaison committee before actual installation. In fact, the head of Toledo's Federation of Senior Citizens' Clubs appears in a full-page TARTA newspaper advertisement promoting the new signs.

Having now redesigned and standardized TARTA bus stops, timetables and destination signs, TARTA's new full-color transit guide will appear in February. Highlight of the new guide will be a modified schematic TARTA route map, with each route in a different color. Preliminary design is already underway on a new transit information display for indoor activity centers. Included in the display will be illuminated route maps, detailed maps of the activity center showing transit access, schedules, individual route maps and a digital count-down showing the number of minutes remaining before the departure of the next bus on a given route. If all else fails, a direct telephone to TARTA information will also be provided.

TOLEDO'S NUMBER ONE senior citizen, Frances Jaskie, compliments Hilary T. Hemung, Toledo Area Regional Transit Authority director of schedules, planning and marketing on TARTA's large, easy to read destination signs.

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miami develops two transportation programs for disabled

MIAMI, FLA.—Two transportation programs designed to improve the mobility and quality of life for physically disabled persons living here will begin operations soon and will be run through the Dade County Office of Transportation Administration.

Developed to meet different transportation needs of the physically disabled, the programs are an MTA half-fare program, offering reduced fares for the disabled persons riding Metro Transit Agency buses, and a Special Transportation Services program, providing door-to-door transportation for disabled persons who have great difficulty using conventional transit vehicles.

"The broad scope of these complimentary programs allows physically disabled persons to make a single application for two transportation services," says Dr. John Dyer, MTA transportation coordinator. "The introduction of these programs represents a major step toward solving the unique transportation needs of the disabled."

A CONTRACT BETWEEN the Wichita (Kan.) Metropolitan Transit Authority and a local tire company will provide paint protection for MTA buses and advertising exposure for the tire dealer. MTA Executive Director Paul F. McGinnis says they may soon have the entire fleet under advertising contracts.

Under the MTA half-fare program, MTA bus operators will honor a new Dade County Public Transportation Certification Card. Holders of the cards will pay one-half the regular MTA bus fare (15¢) and one-half all zone and inter-zone charges (5¢) for travel during off peak hours.

Similar to the reduced fare program for senior citizens older than 65 years, the MTA half-fare discount applies to travel on weekdays between 9 a.m. and 4 p.m. and after 6:30 p.m., all day Saturdays, Sundays and six major holidays. The half-fare program represents an expansion of the discount presently offered to physically disabled persons who have Medicare cards. The new program offers the discount to all physically disabled persons, many of whom do not have Medicare cards.

Brochures outlining the two programs and containing an application form are available at various county agencies, organizations representing the physically disabled, and the transportation administration office.

Each application requires general background information about the applicant, as well as a description of the type and extent of the physical disability and certification of the disability by a doctor or a qualified agency before processing.

"We will process each application individually and determine eligibility according to guidelines established by our advisory group, the Dade County Advisory Board on the Physically Disabled," says Pearl Lazarus, UTA policy analyst. "Once certified, each applicant will be registered and mailed a special user's card and letter of certification."

"Rejected applicants will also be notified and granted the right to appeal to the advisory board," she says.

The Dade County Advisory Board on the Physically Disabled draws its membership from 19 different groups representing the physically disabled.

Persons certified to use the MTA half-fare program will have the option to use the STS, a six-month demonstration project presently scheduled to start service in February.

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VOLUNTEERING IS AN American specialty and its impact on society became a little clearer for these three foreign visitors in Syracuse for a community seminar in late December. The young men, all students at American universities served as volunteer attendants for Centro's elderly and handicapped riders as part of the International Center of Syracuse's "get to know Americans and the American way of life" seminar. Centro's Call-A-Bus service was chosen as an example of the way in which Americans respond to needs of their elderly and handicapped through volunteer and special services.

Passenger Transport, January 30, 1976, p. 2; Vol. 34, No. 5.

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. . . and in atlanta

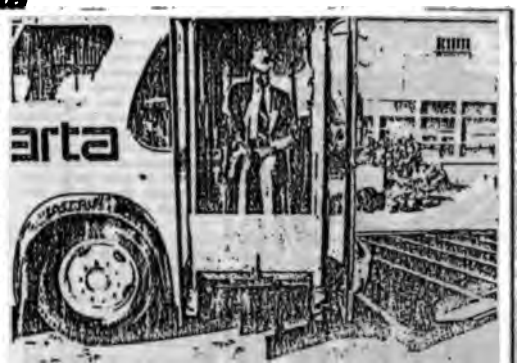
ATLANTA, GA.–The Metropolitan Atlanta Rapid Transit Authority's prototype bus for transporting elderly and handicapped citizens was recently presented to the authority's Elderly and Handicapped Advisory Committee.

To accommodate the special needs of handicapped persons, especially wheelchair users, MARTA has converted a standard transit vehicle as an experimental prototype. If the experiment succeeds, future wheelchair accessible buses can be created from MARTA's mothball fleet without purchasing additional equipment.

The conversion cost is estimated at $20,000 to $25,000 per bus whereas a bus specifically designed for such purposes costs from $60,000 to $70,000. Also, by converting an existing bus there is an added advantage, in that no additional maintenance and service facilities will be required.

MARTA's advisory committee which viewed the bus was created to assist the authority in addressing the public transportation needs of the elderly and

(See Atlanta converts, page 8)



A MEMBER OF the Metropolitan Atlanta Rapid Transit Authority Elderly and Handicapped Advisory Committee, J. David Webb, tests the hydraulic lift on the authority's prototype bus for elderly and handicapped citizens.

Passenger Transport, February 6, 1976, pp. 1 & 8; Vol. 34, No. 6.

"atlanta converts bus for disabled

(From page 1)

handicapped. The committee is composed of seven persons and seven alternates representing functional areas of concern. The functional areas represented are the blind, wheelchair users, those who walk with difficulty requiring aids, those with impairments of upper extremities, persons involved in physical and/or vocational rehabilitation, those who are involved with the developmentally disabled and those who are elderly with no transportation disabilities.

The committee includes a resource person, and an architect with expertise in pedestrian planning for the disabled.

The prototype, a 1963 model GMC bus, will have room for 21 passengers, including four in wheelchairs. It also has a touch-activated rear door, a hydraulic lift and the bus bell cord is at shoulder level so that the passenger may signal the operator without standing.

Besides hoping to put special buses in service in 1977, the authority has modified its specifications for standard vehicles to be acquired in the future to provide an increased level of convenience for use by the elderly and handicapped.

In addition to designating a preferential seating area for handicapped persons and senior citizens, the modifications include additional handrails and stanchions, seats with increased energy absorption characteristics, side destination signs, lighting of curbside from exit doorwells, touch-activated exit doors and a passenger signal chime in the rear exit doorwell.

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ac transit expands education program

OAKLAND, CALIF.— Riding the bus alone for the first time is a coveted mark of maturity for children everywhere, but fear can touch the deaf child faced with the same trip.

That fear dissolved recently for dozens of California youngsters as AC Transit expanded its education program for riders with special problems to include the deaf.

Uneasiness turned to gales of confident laughter when 70 deaf children in Concord, Calif. learned the ease of using public transit safely.

Three classes were held at elementary school sites detailing use of timetable schedules, transfers and communicating with the driver. The presentation was interpreted through sign language by a specially trained teacher for the aurally handicapped.

AC Transit has held similar classes for blind and handicapped riders in the past, but this was the first for the deaf.

After learning basics of safe boarding, riding and departing, the group left for a bus trip to the Bay Area Rapid Transit/Concord focal point of a local system operated by AC Transit under contract. The children observed appropriate bus stop locations and use of AC/BART transfer machines, which permit a free bus transfer from BART.

Enthusiasm ran so high that midway through the journey to BART, the students began to compete for the honor of signaling the driver to stop at the next bus stop—part of deboarding instruction.

Even though they couldn't hear the bell, pulling the cord to signal a stop was an important, and much enjoyed part of learning to ride the bus.

All classes responded favorably to admonitions against running on board and understood the reason for not permitting food or drink on the bus.

The courses were arranged through the local school district.

THE RESULTS—Beaming confidence is seen in the faces of these 11-year-old deaf children who flank AC Transit Safety Instructor George Silva. The children have learned how to ride the bus through sign language instruction. Here they indicate "thank you."

Passenger Transport, February 13, 1976, p. 6; Vol. 34, No. 7.

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houston begins reduced fares, special service for handicapped

HOUSTON, TEX.—The Houston Transit System has expanded its service to handicapped customers by instituting reduced fares and planning for specialized service.

The reduced fare for the handicapped customers permits those individuals with a HouTran ID card to ride any bus at any time for 20¢. To obtain an ID card to ride a bus the applicant must have a temporary or permanent handicap that a physician could certify, and that precludes the applicant from using the existing HouTran system without significant difficulty. Those with permanent handicaps are issued a photo ID card while temporary handicapped individuals receive certifying slips with an indicated expiration date.

Also, the City of Houston and HouTran have begun an aggressive program to identify the locations of those handicap individuals who need transportation services beyond the efficiencies of the regular system.

Stanley H. Gates, Jr., general manager of HouTran, indicates that this outreach project is "extremely important to the design of special transportation services, because in most cities efforts to date in determining the location and needs of handicapped individuals have been fragmented and uncoordinated" and therefore, intensive coordinated data gathering and survey work by the city, HouTran and other social service providers, is required before any services can be designed.

The output of this work will be transit routes and services specifically designed for the handicapped residents in the Houston community and their unique needs which cannot productively be met by regular transit services.

In another recent development, HouTran placed on sale a monthly pass which will be good for unlimited rides throughout the month it is issued.

The monthly pass was developed in response to rider requests to improve the convenience of using the bus system. The pass is designed so that if the rider travels within one-fare zone they need only buy the base fare pass for $17. If the rider crosses additional zone lines they need the base fare pass with the appropriate zone pass attached for $21 or $25.

According to Gates, the monthly pass was "designed for the convenience of our regular riders, but it represents a bargain we feel, and will encourage additional ridership. This is so because pass purchasers can use the pass for unlimited rides seven days a week and also for their fare on the small bus system and in the downtown fare zone."

Monthly passes are currently being sold from HouTran's downtown information center, and the possibility of additional outlets and mail sales are being explored.

THE LONG ISLAND RAIL ROAD has opened a new Passenger Service Center at Penn Station to provide its commuters with an opportunity to air their comments and suggestions as well as inquire about the railroad's operations. A service center booth is staffed with railroad personnel. The center, which is located on the main LIRR concourse, will be open on weekdays from 7:30 a.m. to 10 a.m. and from 4 p.m. to 6 p.m. Above, LIRR Special Representative Vincent J. Molinari provides information for commuters in the center.

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Passenger Transport
Vol. 34, No. 8

Houston begins reduced fares, special service for handicapped

HOUSTON, TEX.—The Houston Transit System has expanded its service to handicapped customers by instituting reduced fares and planning for specialized service.

The reduced fare for the handicapped customers permits those individuals with a HouTran ID card to ride any bus at any time for 20¢. To obtain an ID card to ride bus the applicant must have a temporary or permanent handicap that a physician certify, and that precludes the applicant from using the existing HouTran system without significant difficulty. Those with permanent handicaps are issued a photo ID card while temporary handicapped individuals receive certifying slips with an indicated expiration date.

Also, the City of Houston and HouTran have begun an aggressive program to identify the locations of those handicap individuals who need transportation services beyond the efficiencies of the regular system.

Stanley H. Gates, Jr., general manager of HouTran, indicates that this outreach project is "extremely important to the design of special transportation services, because in most cities efforts to date in determining the location and needs of handicapped individuals have been fragmented and uncoordinated" and therefore, intensive coordinated data gathering and survey work by the city, HouTran and other social service providers, is required before any service can be designed.

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tri-met surveys customers for special service

PORTLAND, ORE.—An upcoming survey of 6000 Portland homes is expected to provide Tri-Met transit planners with information about the transportation needs of handicapped and elderly people in the area.

College students will be used to conduct the survey, which will provide Tri-Met with the data necessary to develop a special transportation program for the handicapped and elderly.

The random survey will provide a profile of this segment of the population including where they live, their current travel patterns and needs and their socio-economic category but with no name identification.

Examples of the questions that will be asked include: What day did you make your last trip? How long did it take? How much did it cost?

Ten questions concern bus travel and whether or not the interviewed person can use available service.

Other questions concern the accessibility of public transit to the handicapped—defined as "someone who has trouble getting around freely."

Passenger Transport, February 27, 1976, p. 5; Vol. 34, No. 9.

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cleveland authority registers handicapped for low fare plan

CLEVELAND, OHIO — A registration program to qualify handicapped residents of Cuyahoga County for reduced fares on RTA buses and rapid trains was announced recently by the Greater Cleveland Regional Transit Authority.

In making the announcement, David N. Goss, acting general manager, stressed that the program is directed at those people whose impairments are substantial, but not so severe as to preclude the use of conventional transit vehicles.

Goss said, "Present buses and rapids on our system simply cannot accommodate such people as those confined to wheelchairs. However, as we develop our new community responsive transit programs over the coming months, we expect to include in our fleet some specialized vehicles that will be suitable for transporting virtually anyone. Our ultimate goal is to be able to provide total service throughout the community."

The free registration program will be carried on throughout the county.

Certification will be for those with major physical impairments or disabilities including mental retardation, orthopedic impairment, neurological impairment, cardiovascular impairment, pulmonary impairment, legal blindness and profound hearing loss with correction.

In any case, the impairment must be of such nature as to cause the person significantly greater difficulty in traveling on the RTA system than somebody without the impairment would experience, or a handicap that makes it necessary for the person to use mass transit in order to travel throughout the county.

Passenger Transport, March 26, 1976, p. 3; Vol. 34, No. 13.

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marketing matters

helping the public take the first step

By
Rosemary Boes
Information Services Coordinator
Lane Transit District
Eugene, Ore.

The First Step Program is the collective title of the personal contact approach developed at LTD for five groups identified as priority target markets for the current fiscal year. Those market groups include seniors capable of using fixed-route service, the handicapped, residents of the district's outlying service areas, major employers and elementary and secondary school students.

The first presentation was developed for seniors who can use fixed-route service. On the theory that more seniors would ride except for their fear of the transfer process and lack of experience with buses, we developed a 10-minute how to ride slide show. It depicts a bus ride which involves transferring to a second vehicle.

The show illustrates all the important steps in bus riding and all the points along the trip where riders can get information: telephone, the central transfer point information booth, drivers, the district's information office, timetables and other customers.

We contacted the Lane County senior services office where a staff member has duties related to the mobility of seniors. He was interested in the project and offered to share costs and take the pictures. For authenticity, we contacted one of the local senior centers and asked the members of a senior drama group to be our models. They also provided us with location technical advice.

We drew a storyboard, scheduled a bus and driver and spent a morning driving all over town photographing the presentation.

Once the slides were processed, intentionally twice as many as we wanted to actually use, we wrote the script and had our advertising agency produce it, complete with sound effects. At this point, total cost for the project was still less than $200.

Two months after mailing an introductory letter to every senior group in the county, presentations have been made to almost 500 seniors. The complete First Step package includes the slide show, an explanation of how to read timetables, issuance of senior identification cards which entitle seniors to ride for reduced fares, and an optional bus ride using regular route service. At the end of each presentation, participants are given a First Step Card with two tokens. It's an invitation to try LTD.

Packages are now being developed for other target groups which will include components appropriate to the information needs of the particular group.

For the handicapped, the message will be an introduction of the new dial-a-ride service which will start in July specifically for the handicapped and elderly. The package we will take to outlying communities will be almost identical to that developed for seniors: how to ride information.

The message for employers, who now provide part of LTD's local revenue through a payroll tax, will be the willingness of the district to provide services to large groups of employees and the methods by which the district can cooperate in merchant promotions.

Components of a First Step Program aimed at young students will include study packets, facility tours, boarding passes, speakers and fare policies. We are also developing workshops for special education teachers so that we can work directly with them toward the increased mobility of their students.

The First Step Program, albeit not unlike other marketing representative programs, serves to reach specific potential transit users with specific information. Advertising dollars have been freed for intensive investment in media and production which can be aimed at those demographic groups which generate substantial revenue.

As opposed to an all-purpose speakers bureau, the First Step Program aggressively pursues individuals who are also potential system customers with the information they need to make the transit choice. In each successive year, the target market groups for the First Step Program will be changed or refined. We will return to target groups as the years progress to reemphasize, redefine and repeat messages which are needed for modal choice.

The objective is increased ridership, but the district gains more than riders. Personal contact implies a two-way information process and we get lots of feedback on how we're doing when we take our presentation into the field. We also get a chance to explain why. We can provide personal and instantaneous answers to the questions the taxpayers have accumulated over the years of LTD operation.

And, the participants get an image. Instead of seeing just a bus the next time they encounter LTD, they see a personality. We become just a little more human each time we make a presentation.

Direct contact programs are not really overly complicated. All you have to do is get out into your community and help them take the first step.

Passenger Transport, March 26, 1976, p. 4; Vol. 34, No. 13.

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philadelphia adds special seats for disabled

PHILADELPHIA, PA. — For the safety and convenience of the growing number of public transit riders with special needs, certain seats on all buses operating out of one Southeastern Pennsylvania Transportation Authority depot were designated "Special Seats for the Disabled and Senior Citizens."

The bench seats, those facing the aisle just opposite the operator, are marked with purple signs with white lettering. Above the seats are carcards which say, "A lot of good people—senior citizens and those with physical difficulties—have every right to get around. They can . . . with just a little help. That's why a few seats on this vehicle are 'Special.' Some people need just a little help, that's all. It's easy. Thanks."

The buses were selected in a pilot program because they operate mainly in and around center city and are most likely to carry a good cross section of the riding public.

If the test is successful, and SEPTA officials are convinced that most riders will understand and be willing to participate in this voluntary program, special seats will be assigned throughout the SEPTA system. The expected result is that those incapacitated by age and physical handicaps will have a safe place to sit just inside the front doors of vehicles. This will also tend to reduce waiting time at transit stops which will result in more efficient operation for the majority of riders.

Passenger Transport, April 16, 1976, p. 12; Vol. 34, No. 16.

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Portland to survey needs of disabled and elderly

PORTLAND, ORE.—Tri-Met transit here will be conducting a door-to-door survey of the transportation needs of the area's handicapped and senior citizens. The 6000-household survey was begun Feb. 29, but was stopped after one week because of the difficulties of conducting a neighborhood survey after dark.

Starting on the first day of Daylight Savings Time will assure daylight hours for the survey.

Tri-Met now plans to distribute leaflets in the chosen neighborhoods the day before the survey begins, to let residents know about it. Thus residents will know a day ahead of time that they can expect a survey worker and that he or she will be wearing a Tri-Met badge and carrying a letter of introduction. The names of the interviewers can be verified with the Portland Police Department.

Total Picture

Householders will be urged to participate whether or not a handicapped or elderly person lives at the address because this information is needed to complete the total picture of a neighborhood.

The survey asks questions about the ability of household members to use various forms of public transportation and about their current travel patterns.

Passenger Transport, April 23, 1976, p. 12; Vol. 34, No. 17.

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training aid available on needs of disabled and elderly riders

PHILADELPHIA, PA. – A slide and tape training aid to help vehicle operators become of the special needs of physically disabled and elderly passengers is being made available to the transit industry by Moss Rehabilitation Hospital here.

The 13-minute production, titled "Special People," one of the first training aides of its kind this topic—was developed by the hospital's Transportation Evaluation and Training Center in cooperat with the Southeastern Pennsylvania Transportation Authority.

The center, which teaches disabled individuals to travel independently and safely aboard public buses, was established at Moss a little more than a year ago

Safety Factor

18 t clear that of the keys to increasing the safety factor for disabled passengers literally was in the hands of the operator," explains Martin Kaplan, Moss executive director.

"It important that operators quickly recognize the passengers who are in the category of disabled; that they understand the nature of the physical difficulty and, above all, that they are knowledgeable about the techniques they may to he comfort safety and security of their passengers.

The center's coordinator, Michael H. Bobbitt, who is a member of the Executive Committee of APTA's Committee on the Elderly and Handicapped, developed the slide program utilizing disabled and elderly people as participants. Medical aspects were under the supervision of the Moss medical staff.

Transit Dependence

The presentation notes that the physically disabled and the elderly constitute the nation's fastest growing minority, and makes the point that the ability of this group to participate in society often depends on the operators of public transit vehicles.

The essential elements that must be furnished by the operator, the training aid emphasizes, are cooperation, courtesy and concern.

The opening segment presents retired utility serviceman, 66, whose legs were amputated as result of diabetes. Mobile with artificial legs and two canes, his readjustment to productive living is made possible by his ability to get around the city by public bus.

Another subject is a blind 32-year-old business executive aided by guide dog. Operators are shown how to speak face to face with blind passenger and how to offer appropriate assistance.

The operators are taught to recognize stroke patients, many of whom have difficulties in speaking, using limbs on one side of the body, or maintaining balance. In addition, operators are introduced to various kinds of walking aids.

Viewers shown a university professor who became of cerebral palsy has difficulty in walking and balancing. A special peril for this patient was exiting the bus. The solution, the operators are told, is an extra measure of caution on their part.

IN THE TRAINING aid, "Special People," produced by Moss Rehabilitation Hospital, Southeastern Pennsylvania Transportation Authority operator James Butts illustrates awareness and concern for disabled passenger.

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Heightens Awareness

The presentation includes a segment on heightening awareness of so-called hidden diseases—those not readily detected by the eye. These ailments, which include arthritis, heart conditions and lung disease, may cause a normal appearing passenger to move slowly and laboriously. Operators are advised to be aware of "hidden" conditions and govern their driving accordingly.

The presentation also depicts an emphysema patient who must carry with him a portable oxygen supply. Operators are told not be alarmed, the oxygen carried by such patients is not explosive.

The presentation's concluding statements says: "These special people ask no favors. They are fully aware of their special needs and problems. Your everyday consideration, patience and thoughtfulness will help them become active participants in the world. To these special people, your bus truly is a symbol of independence."

The presentation has been applauded by SEPTA management and operators and has been previewed with favorable response by the Public Affairs and Research and Development Offices of UMTA.

Transit firms wishing to purchase the training aid for showing to operators as part of their training may do so by writing Moss Rehabilitation Hospital, 12th St. and Tabor Rd., Philadelphia, Pa. 19141. The cost is $85. It is also available for a 10-day review for $5 *(See ad page 12).*

Passenger Transport, April 30, 1976, p. 4; Vol. 34, No. 18.

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THIS SIGN will be located on the window above the triple seat adjacent to the front doors of 150 Toronto Transit Commission test buses to remind able-bodied customers to let elderly and handicapped riders use the seat.

Passenger Transport, April 30, 1976, p. 4; Vol. 34, No. 18.

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regulations for disabled are issued

Final regulations and guidance to transit agencies concerning the accessibility of public transportation service to elderly and handicapped persons were announced April 30 by UMTA Administrator Robert E. Patricelli.

Patricelli noted the new regulations are the result of a year-long UMTA study carefully planned to hear and consider the advice of elderly, handicapped and other interested persons.

"Hundreds of written responses and extensive public hearings conducted by UMTA in five cities across the nation were considered in preparing these regulations," Patricelli said.

"I believe the time was well spent, for these regulations will accomplish a great deal towards assuring the availability of

(See regulations, page 3)

ALAN L. BINGHAM (left), chairman of the APTA Bus Technology Committee and general manager of AC Transit in Oakland, Calif, confers with UMTA Administrator Robert E. Patricelli before a recent UMTA hearing. The May 6 public hearing explored UMTA policies regarding urban transit bus design and performance specifications.

regulations issued for elderly, handicapped service

(From page 1)

mass transportation which elderly and handicapped persons can effectively use."

Among the key features of the new regulations are provisions which would mandate that:

- new fixed facilities, like subway stations, be fully accessible to elderly and handicapped persons, including wheelchair users;
- newly designed transit buses have front step risers that do not exceed eight inches in height, to facilitate entry by elderly persons, and that they also offer a wheelchair lift or ramp as an option which can be ordered by transit authorities which so choose;
- a range of interior bus stanchions, grab rails, floor surfaces, doorway widths, lighting, and other features be provided to improve current bus safety and utility for the elderly and handicapped; and
- the local planning process develop plans to meet a significant fraction of the transportation needs of elderly and handicapped persons, and involve such persons in planning and programming decisions.

The new UMTA regulations and guidance on transit service for the elderly and handicapped are applicable but not limited to transportation planning, fixed facilities buses, rapid rail vehicles, and light rail vehicles.

The full text of the regulations was published in the April 30 *Federal Register*.

Passenger Transport, May 7, 1976, pp. 1 & 3; Vol. 34, No. 19.

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washington seats marked for elderly, handicapped

WASHINGTON, D. C. – Senior citizens and handicapped persons now have seats designated for their use on Metrobuses. Signs designating priority seating for senior citizens and handicapped persons are on the buses and will soon be on Metrorail cars as well.

The purpose of the priority signs is to remind bus and rail passengers of a courtesy which should be offered to persons who are most in need of convenient seating.

On Metrobuses, the priority seating area is the longitudinal seat directly behind the bus operator. The seat is designated by a decal on the window directly above it.

On the Metro trains, the priority seating area will be the longitudinal seats immediately to the right of the doors as seen by a person entering the doors. A plate just below the window will identify the seats.

The priority seating idea was originally proposed by the Senior Citizens Neighbors and Companions Clubs sponsored by the Washington Urban League.

Passenger Transport, May 14, 1976; page 3; vol. 34, no. 20

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May 14, 1976 PASSENGER TRANSPORT Page 7

denver reviews special service

DENVER, COLO.—A preliminary report summarizing the first year of operation of the Regional Transportation District's special needs bus program here for elderly and handicapped persons was referred to the operations committee of the board of directors by the RTD staff recently.

The report, based on several months of comprehensive evaluation of all aspects of the program, also lists specific recommendations for improvement of the service.

The committee will review the staff evaluation, and reviews of comments and suggestions from elderly and handicapped persons serving on the three citizen's committees.

Structure

In structuring the system, RTD gave priority to residents in need of service to work, school, medical facilities and shopping. By far the number of trips recorded during the evaluation period was confined to these areas.

The total cost of operating the system from February throughout December, 1975, was $280,928. The report concluded, based on information received from other transit authorities operating similar systems, that RTD's costs for providing the HandyRide and special elderly services although high, are in line with other systems possessing many of the same operating characteristics.

A major part of the evaluation focused on patron and non-patron opinions and attitudes. This information was compiled in a detailed public opinion survey which was included in the report. In summary, the survey showed that a vast majority of special needs program users have benefited greatly from the service due to improved and extended personal mobility and freedom as well as personal cost savings.

The report concluded by suggesting a number of alternative methods for improving the service including continuation of citizen committee participation in the program, expansion of the service with additional vehicles if feasible, consolidation of ridership in geographical zones, consideration of computerized scheduling methods, addition of off-peak service on a 24-hour, pre-scheduled basis, space available service to non-handicapped and elderly on regularly run routes, and an increase from 25¢ to $1 per trip on HandyRide, but maintaining the 25¢ fare for the elderly shopping trip program.

HandyRide

RTD began the special transit needs program in February 1975, with the utilization of 12 specially designed buses and the implementation of a special subscription service as a regular system of bus routing that remained flexible to meet individual needs on an hour-to-hour or day-to-day basis. This part of the service is called "HandyRide."

An extension of the program which provided transit service for shopping trips of mostly elderly persons during off-peak hours by use of regular buses was initiated in March 1975. The report analyzes both aspects of the program separately.

RTD has been assisted throughout all stages of the program, from vehicle design to service implementation and evaluation, by the committees of elderly and handicapped citizens.

The report found that total passenger trips on HandyRide and the special elderly shopping trip service increased steadily throughout the period of evaluation which ended December 1975. Service on HandyRide reached 3880 during one month while more than 4300 persons were served by the special elderly program during one month.

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May 29, 1979 PASSENGER TRANSPORT Page 5

metro distributes half-fare cards for elderly and handicapped

Stanley Tucker, chairman of the Washington (D.C.) Metropolitan Area Transit Authority, said the newly 4000 handicapped persons have selected to ride the Metro rapid system and themselves to the cards which permit them to ride the Metro rapid system and themselves to the half fare during off-peak hours.

"Our handicapped services will also have a saving these cards for the next months," Tucker said, "which means that more than 20 handicapped persons per day, on the average, have taken time to come to our headquarters building to obtain the passes. To me, this underscores the importance of mass transit to the handicapped in the Washington area."

In many instances, photo and thumbprint are taken to the site of handicapped persons who are unable to travel to the headquarters building. Many members of handicapped persons who are unable to travel to the site of the cards are also being taken to the homes. Thirty-two requests have been issued.

Persons holding the special cards may ride the bus or rail system during non-peak hours for 35¢ with a 10¢ charge for crossing a zone boundary. Off-peak hours are anytime except 6:30 to 9 a.m. and 3:30 to 6 p.m. weekdays.

In related news, Metrobuses and Metro

Cards also have been issued to elderly who make persons to currency for the handicapped persons to get around. When the handicapped is in a wheelchair, the cards are dated to enable to a period of months to two years from the date of issuance. Thirty-two requests with have been issued.

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In related news, Metrobuses and Metro

senior fare hearings set

Pennsylvania, Pa. — In order to best serve all segments of the community the Southeastern Pennsylvania Transportation Authority is offering elderly and handicapped persons the opportunity to discuss and propose up-to-the-minute fare changes and transportation needs during four public hearings.

The purpose of the hearings is to provide citizens the opportunity to express their views and proposals for the benefit of elderly and disabled persons. SEPTA, which serves representatives of SEPTA, county governments, citizen volunteers and private companies in obtaining programs on adopted views in this regard.

The hearings will be open to the public, who may speak or submit written statements, and have been scheduled in the most convenient and accessible hotel work. They will also be held during off peak, daylight hours when greater participation is expected. Persons over the age of 65 and those with disabilities are invited to attend.

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reduced fare plan extended

CHICAGO, ILL.—Senior citizens and handicapped persons who qualify for a Northeastern Illinois Regional Transportation Authority pass will be able to ride for half fare or less on most Chicago commuter railroads, under the RTA reduced fare program.

Railroads participating in the program will be the Milwaukee Road, the Burlington Northern, the Rock Island and the Illinois Central Gulf.

The reduced fares will be one half the normal adult one-way fare up to a maximum of $1. The reduced fares do not apply during weekday rush hours because of the limited seating available. Riders can qualify for the lower fares on weekdays if they board Chicago-bound trains after 9 a.m. or if they board trains heading away from Chicago before 4 p.m. or after 6 p.m. On Saturdays, Sundays and holidays, there are no restrictions. Reduced fare tickets can be purchased both from ticket agents and on board the trains.

To qualify for the reduced rates, senior citizens or handicapped persons will need to show their RTA special users travel cards both when purchasing tickets and when presenting their tickets for passage on board the commuter trains. RTA special users cards already are accepted on most bus systems in the six-county region.

Passenger Transport, May 25, 1979
vol. 37, no 22, p. 2

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NEW BUSES FOR the senior citizen program are inspected by Bergen County (N.J.) officials, from left: Aaran Kattan, board of transportation; John P. Hoschek, board of transportation executive director; Doris Mahalik; D. Bennett Mazur, chairman of public works; and Anthony Aita, board of transportation.

county launches pilot program for seniors

HACKENSACK, N.J.—A pilot program in non-scheduled transportation services for senior citizens has been launched by the Bergen County Board of Transportation.

"This is just the beginning," said John P. Hoschek, executive director, board of transportation, "of what we hope will be an answer to some of the transportation problems of our older residents. The five small buses that have recently been purchased through a grant from Title III of the Older Americans Act, as amended, will each be assigned to one region of the county. Senior citizens will be able to telephone their regional coordinator to make an appointment for pick-up when they have no other method of transportation.

"This is really an extension of the public transportation already offered by Bergen County," says Hoschek. "It is meant to complement the buses the county already runs. In many cases these small buses will connect with the other buses to expand county services."

The new service will be available Monday through Friday from 9 a.m. to 4 p.m. No service will be provided on weekend or holidays. In some regions the buses will run part of the time on a regular route.

The small buses hold a maximum of 16 passengers. It is anticipated that volunteers will ride each bus to help those senior citizens who need assistance of any kind. Hoschek stresses, however, that the service "is for ambulatory seniors. Neither the drivers nor the volunteers can enter any home."

Six drivers have been hired and trained. One dirver will be assigned to each region. The sixth will spend the first few weeks riding each route learning the entire county so that he can fill in wherever needed.

Passenger Transport
6/4/71 p. 2
Vol. 34, No. 23.

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seats for the handicapped

PORTLAND, ORE.—Decals carrying a request to make seats available to elderly and handicapped passengers have been placed on 50 Tri-Met buses and the results will be closely observed.

Public reaction and comments from bus operators will provide Tri-Met with the answer to whether or not the decals should be placed on every bus.

If at the end of a trial period the decals have proven effective, they will be used on all Tri-Met buses.

Passenger Transport, June 4, 1976, p. 6; Vol. 34, No. 23.

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Albany studies improved service to elderly/disabled

ALBANY, N Y "We want to substantially improve transportation services to the elderly and handicapped," said Chairman J. Leo O'Brien of the Capital District Transportation Committee, in announcing a new study a panel is undertaking in cooperation with the Capital District Transportation Authority

O'Brien, who is also Mayor of the City of Watervliet, indicated that the study will attempt to determine transportation needs of elderly and handicapped district residents as well as to investigate methods of providing more efficient transportation services

"We have to accurately define the problem first," he said, "then we can develop good solutions We want our elderly and handicapped neighbors to be able to take their full place in society and the only way this can be accomplished is if we give them mobility "

CDTC is assigning three transportation planners to the project and is creating a Technical Advisory Group, made up of representatives of handicapped and senior citizens organizations, community groups, government, the public and the transportation industry

The advisory group will meet about five times during the next eight months, to digest information gathered by the transportation planners and to make recommendations for specific action

"We hope to be able to act quickly on the information we gather in the study," O'Brien said "With good cooperation from the public and a little luck, we may be able to have one or two pilot projects running by this fall "

Vol. 34, No. 23.

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low fares for florida seniors

WEST PALM BEACH, FLA. — A reduced fare program for senior citizens, calling for a 15¢ one-way fare to any part of the county on Palm Beach County Transportation Authority buses, was formally approved May 25 by county commissioners.

The program started June 6 for persons 60 years or over. Until identification cards, bearing photographs of eligible recipients, are issued by the authority, the senior citizens may ride for the reduced fare by showing "any formidable means of identification." These would include medicare cards, driver's license, birth certificates or similar documents showing date of birth.

There will be a one-time $1 charge for the official authority ID card. Issuance of the cards began June 8.

The commission has directed bus system manager John Pippin of Florida Transit Management, Inc., to work on a trial and error basis to determine if senior citizens will ride during peak hours and, possibly, overload most traveled routes. If so, Pippin is to decide whether additional equipment could be placed on those routes, or make other recommendations for the program. Approximately 50 county buses are now in operation.

Later in the year, when specially equipped buses are purchased, a reduced fare program also will be implemented for eligible handicapped persons.

Passenger Transport, June 18, 1976; Vol. 34, no 25, p. 8.

birmingham initiates preferential seating

BIRMINGHAM, ALA.—Buses of the Birmingham-Jefferson County Transit Authority now carry interior signs requesting that passengers give consideration to the elderly and handicapped by giving them preferential seating in the first longitudinal seat space in the bus.

Studies are now being made on a national basis to determine the legal requirements for preferential seating for the elderly and handicapped, but the G-JTC felt that steps should be taken immediately to assure a safer, more comfortable transit ride for these patrons. The signs appear directly above the preferential seating locations in each of the system's 185 buses.

Transit officials estimate that there are approximately 10,000 handicapped and 70,000 persons over 65 years of age within the system's service area. The positive action of the authority will hopefully create more riding in these citizen groups, according to the authority.

Passenger Transport, June 18, 1976; vol. 34, no 25, p. 2.

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transit focuses on the elderly/handicapped

. . . in des moines

Des Moines, Iowa — On May 21, the Public Transit Division of the Iowa DOT conducted a pre-application conference to present information and procedures for the next round of UMTA's capital grant program for elderly and handicapped transportation services.

Over 100 people attended the statewide conference and many different services were represented when transit operators, intercity bus companies, taxi operators, vehicle manufacturers and dealers, Iowa Commission on Aging, Governor's Committee on Employment of the Handicapped, regional planning agencies and over 60 private nonprofit agencies were potential applicants.

Jerry Lutz, director of the Public Transit Division, stated that "We'll be combining 1978 and 1977 funds, and since we anticipate applications for more money than we'll have, we thought it extremely important to call everyone together to explain the entire program, from the planning requirements to the five years of reports the funded agencies will be required to submit. It's very likely the applicants won't get as much as they want, they won't get exactly what they want and they won't get it when they want it. We wanted the agencies to realize this before they start the program."

Those at the conference were told about the necessity of being included in a regional or urban transit plan, the importance of coordination and cooperation and the requirement that public and private operators be given the opportunity to participate in the program.

Vehicle representatives explained features, specifications and approximate prices of the three types of vehicles that will be available to the agencies vans, small transit buses and wheelchair buses.

"The applications of those agencies who attended this conference will be given the highest priority," Lutz added, "and we expect Iowa's next program to proceed smoothly and on schedule, especially with the assistance of the UMTA

CAPITAL DISTRICT TRANSPORTATION Authority board members proudly inspect the citation recently presented to the authority by the Albany Association of the Blind for "... generous interest in, and support of programs serving the blind." Left to right are: John P. Ahern, vice-chairman; Joseph Perillo, chairman; Edson A. Sullivan, senior citizens and handicapped committee chairman; and Robert P. Case, finance committee chairman. CDTA activities in behalf of the blind include a reduced fare, assistance in boarding/leaving programs, and special instruction to help bus operators better serve blind passengers.

first obtain, complete and have certified by a recognized agency or physician a Metro handicapped certification form. The certified form along with a $1 registration fee must then be forwarded or brought in the METRO office at

when runs the actual cost will be raised.

In determining whether or not an individual qualifies as handicapped for reduced fare, only the individual must have had the handicap for the period of not less than 90 days. While the handicap must substantially limit the individual's ability to ride the bus, the individual must still be able to provide effective transportation as they are currently provided.

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Page 4 PASSENGER TRANSPORT June 25, 1976

transit focuses on the elderly/ha

. . . in des moines

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In determining whether or not an individual qualifies as handicapped for a reduced fare card, the individual must have had his handicap for a period of not less than 90 days. While this handicap must functionally limit the individual's ability to ride the bus, the individual must still be able to utilize Metro services as they are currently provided.

. . . and in louisville

LOUISVILLE, KY. – Representatives of Louisville City Government, the Human Relations Commission, handicapped groups and the Transit Authority of River City gathered in downtown Louisville recently to mark the beginning of construction on 95 curb cuts to ease the travel of handicapped individuals throughout the downtown area. These curb cuts are the first major result in a program to remove architectural barriers for the handicapped.

On display at the curb cuts ceremony were TARC's handicapped vehicles which have been in operation since October, 1975, assisting greatly in the travel of handicapped people to and from work, rehabilitation and many other activities.

TARC will receive three additional vehicles of this type in Fiscal Year 1977 to expand the program throughout Louisville and Jefferson County.

. . . in kansas city

KANSAS CITY, MO. – Effective July 1, senior citizens and those individuals certified to be handicapped and who possess a new Metro reduced fare card or a Metro Golden Age Card will be able to ride on any regularly scheduled Kansas City Area Transportation Authority Metro bus for 20¢—one-half of the present 40¢ base fare.

Senior citizens who do not already possess a Metro Golden Age Card, upon proof of age 65 years or older, the completion of a senior citizen application form and $1 registration fee will be issued a reduced fare card. This card, when shown to Metro driver-operators, will enable the individual to ride for the reduced 20¢ fare. Essentially, the program for senior citizens remains unchanged from that of the past except for the fare being reduced from 25¢ to 20¢ and the introduction of the fare card.

Golden Age Cards will no longer be issued, but, they will continue to be honored.

In order to obtain a Metro reduced fare card, a handicapped individual must

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new york expands half-fare plan

New York, N. Y. – The Metropolitan Transportation Authority here recently announced the expansion of the MTA's half-fare program for the physically handicapped to include mentally retarded and brain damaged persons. It went into effect in the New York metropolitan region during off-peak hours, starting July 1.

David L. Yunich, MTA chairman and chief executive officer, said that "The implementation of the agency's money-saving, reduced fare program to include these special citizens was unanimously approved by the MTA board. They now will have the same half-fare privileges accorded to the region's elderly and physically handicapped persons when traveling on the city's subway and bus systems and the commuter railroads under the MTA's jurisdiction."

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Passenger Transport
5/27/74, p. 8

Wk. 34, Ak. 27

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elderly/handicapped groups sue umta/dot

PHILADELPHIA, PA.—Twelve groups, representing the elderly and handicapped and seven individuals have filed suit in federal district court, here, to compel UMTA and a number of other federal agencies to provide financial assistance only for buses that can meet the special needs of the aged and disabled.

The class action suit names Secretary of Transportation William T. Coleman, UMTA Administrator Robert E. Patricelli and Federal Highway Administrator Norbert T. Tiemann, as defendants.

The suit is based on a number of federal acts which have provisions dealing with the improvement of transportation services for the elderly and handicapped. The complaint cites such legislation as the Urban Mass Transportation Assistance Act of 1970, the Federal-Highway Act of 1973, the Department of Transportation Assistance and Related Agencies Act of 1974 and the National Mass Transportation Assistance Act of 1974. The plaintiffs charge that Coleman, Patricelli and Tiemann "have acted wrongfully and illegally in failing to act to carry out the repeated Congressional mandate to assure accessible mass transportation which all mobile elderly and handicapped persons can effectively utilize."

In the suit, the plaintiffs call on the government to require that financial assistance be used only to purchase the low-floor Transbus.

While UMTA has not yet prepared a formal response to the complaint, a spokesman for the administration noted that Transbus is not currently being produced and is not expected to be available for several years.

While a number of similar suits have been filed in the past, this is the first to name national rather than local figures as defendants.

richmond seeks senior riders

RICHMOND, VA.—During July, personnel from the Greater Richmond Transit Company and Richmond Community Action Program will visit area senior citizen centers to explain the GRTC senior citizen fare program.

Henry C. Church, general manager of GRTC, stated, "I'm very pleased that R-CAP and GRTC have joined in actively seeking out senior citizen groups and organizations to encourage them to take advantage of GRTC's senior citizen fare. Church said the fare allows senior citizens who are 65 years of age or older to purchase Senior "10" Tickets at a price of 10 for $1.75. Senior citizens can use these tickets to ride GRTC buses from 9:30 a.m. to 4:00 p.m. and any time after 6:30 p.m., Monday through Friday and all day Saturday, Sunday and holidays."

Passenger Transport, July 2, 1976, p. 3, vol. 34, no. 27

elderly fare reduced on commuter service

CHICAGO, ILL.—The Chicago South Shore and South Bend Railroad will join the Regional Transportation Authority's reduced fare program for senior citizens and the handicapped on July 15.

The reduced fares will apply between all stations, including those in Indiana. The reduced rate will be one-half the normal adult one-way fare and will be in effect only during non-rush hours. Non-rush hours are defined as Saturdays, Sundays, holidays, and any weekday train arriving in Chicago after 9 a.m. or departing before 4 p.m. or after 6 p.m.

To qualify for the reduced rates, senior citizens or handicapped persons will need to show their RTA Special Users Travel Cards both when purchasing tickets and when presenting their tickets for passage on board the South Shore commuter trains.

Senior citizens can obtain their cards at any of 250 locations throughout the six-county RTA region in Illinois.

Passenger Transport, July 2, 1976, p. 3, vol. 34, no. 27.

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bay area agencies participate in discount program

OAKLAND, CALIF.— Stories of gratitude and newfound mobility mark the first year of a discount program for senior citizens and handicapped riders developed jointly by San Francisco Bay Area transit agencies.

Thousands of eligible patrons are now riding at reduced rates. A photo identification card permits discounted fares and the one card alone is honored by all nine agencies.

The Bay Region Transit Discount program began on July 1, 1975. One year later, approximately 22,100 cards for senior citizens and 11,600 for handicapped persons had been issued by all properties together. Cards are issued free and distributed by each agency.

Agencies participating include AC Transit, Bay Area Rapid Transit District, Golden Gate Transit, San Francisco Municipal Railway, Petaluma Municipal Transit, Vallejo Transit, Santa Clara County Transit, Santa Rosa Municipal Railway, and San Mateo County Transit.

San Mateo, Vallejo and Petaluma began honoring the card most recently, with San Mateo joining July 1.

The discount cards are issued by most agencies cooperating in the program. AC Transit, Golden Gate Transit and Santa Clara County Transit also offer a mobile card issuance center.

The three agencies travel to outlying areas to issue the card, making it more accessible to those who find traveling the most difficult.

Time spent with senior citizens and the handicapped nourishes confidence often needed for moving about, according to Val Houdyschell, who issues the card for AC Transit.

"At the schools, teachers say it's a real encouragement. It gives the handicapped kids an incentive and the confidence they can do something on their own," Houdyschell recalled.

Those living on fixed incomes are most appreciative of the program, with scores of letters coming in to participating properties indicating transportation would be impossible for them without the program.

HAPPY ANNIVERSARY—Nine transit agencies in the San Francisco Bay Area now are cooperating in the Bay Region Transit Discount program, offering reduced fares for senior citizens and handicapped passengers. A single photo identification card is good for reduced fare on all nine systems. Approximately 33,700 such cards have been issued since the program began on July 1, 1975. Above, AC Transit's photo card equipment is pictured with Val Houdyschell, who operates AC Transit's card issuance center.

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Page 2 PASSENGER TRANSPORT July 9, 1976

oregon report covers special e&h services

SALEM, ORE.—Improved special transportation services for the elderly and handicapped are described in a report which has been presented by Dennis H. Moore, administrator of the Mass Transit Division, to the Oregon Transportation Commission recently.

The report covers the Special Transportation Program which was designed to provide experimental public transportation services in six areas of Oregon. These projects were funded by local, federal and state general funds. The state provided up to 25% of the project operating costs and up to 50% for marketing expenses, while over 50% of each project's operating costs were met by local contributions.

Among the major findings of the study are:

- use of transit by mobility limited citizens is increased by providing demand-responsive transportation services;
- special transportation systems are not self-supporting; and
- good local managerial expertise is an extremely important element to project success.

Moore told the commission, "This study indicates that a system which meets a community's needs, is well-managed and marketed will succeed in increasing mobility for the transportation disadvantaged."

Project Areas

Moore pointed out that although state financial participation terminated June 30, 1975, all the projects have continued to operate. The special transportation projects were not intended to compete with existing transit systems but to create transit systems where needed and to improve service where existing service was inadequate.

The project areas are:

- City of Albany where a new system was initiated which combined a fixed route with off-route service by special request;
- Columbia County where separate senior citizen organizations purchased and operated vehicles within this rural county with service coordinated by a central transportation committee;
- Jackson County where the first transportation district in the state was formed to plan, implement, and finance public transportation within the county;
- City of Ontario provided a new service which was managed by the city staff and dispatched by an information and referral center;
- City of Portland where existing transportation programs for the elderly and handicapped were coordinated through a central dispatching station which resulted in better service for each participating agency at less cost; and
- Wasco-Sherman Counties offered transit service to scattered elderly residents in this rural area.

Copies of the report are available at the Mass Transit Division Room 104, State Highway Building, Salem Ore. 97310.

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conference scheduled on transit for the elderly and handicapped

Passenger Transport, July 9, 1976, p. 6; vol. 34, no. 28.

MILWAUKEE, WISC. — A two-day conference between people interested in transportation for the elderly and the handicapped and officials from agencies that provide funding and other services for these groups will be held here July 22 and 23.

The gathering is being sponsored by the University of Wisconsin-Milwaukee Center for Urban Transportation and the Division of Urban Outreach at the school, and will be held in South Hall of the University of Wisconsin Extension Civic Center Campus.

Speakers

Highlighting the first day will be a speech by State Rep. James W. Wahner (D.-Mil.) who served as chairman of a state task force on problems of people with physical handicaps. Other presentations will be given by graduate students and professors of geography, urban affairs and rural sociology, and by individuals active in organizations for the handicapped.

Speakers on the second day will take part in a panel discussion of the coordination of transportation for the handicapped and the elderly, with representatives from the Wisconsin agencies on transportation, planning and aging. A representative of UMTA will also speak on July 23.

Registration fees for the conference are $70.

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Passenger Transport, July 16, 1976: vol. 34, no. 29, p. 8.

portland board discusses special services and fares

PORTLAND, ORE.—An ordinance creating special fares for retarded people and a measure outlining procedures for transporting elderly and handicapped bus riders were presented to the board of directors of the Tri-County Metropolitan District recently.

The Multnomah-Clackamas and the Washington County Associations for Retarded Citizens asked the Tri-Met board to establish a 15¢ fare for retarded individuals who have trouble using the Honored Citizens Card issued to other handicapped citizens.

According to officials of the two groups, mentally retarded riders can be trained to pay a 15¢ fare, but would have difficulty using the Honored Citizen Cards which involve paying different amounts depending on the time of day and day of the week.

The Tri-Met board also heard a discussion of a federally funded demonstration project on special service for elderly and non-retarded handicapped citizens.

As part of the project, 15 small buses with wheel chair lifts and wide doors have been ordered.

The demonstration project will determine whether service for the elderly and the handicapped can be better provided by specially equipped buses or by subsidies to taxi-cab companies and volunteer organizations, or by some combination of these.

Total travel by elderly and handicapped riders in the greater Portland area is estimated at 5,000 trips per day. The project is expected to handle about 800 rides, with the remainder continuing to be provided by private arrangements and non-profit groups.

Use of specially equipped buses would be concentrated in areas where high-capacity vehicles are most efficient, or where regular buses cannot provide service.

People who cannot afford regular taxi service, who cannot walk to the nearest bus stop, who cannot stand on a moving bus or at a bus stop, or who cannot sit down or get up without help would qualify for the demonstration project.

Other factors to be considered by Tri-Met would include purpose of the trip - medical care, for example would have higher priority than social activity - and productivity, determined by the number of persons who could be served in a given trip and by trip length.

Local officials hope to have the program in operation late this year.

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honolulu extends free fare to handicapped

HONOLULU, HAW. - Free fare privileges for an estimated 50,000 handicapped persons have been extended by the public bus system of the City and County of Honolulu, Island of Oahu, Hawaii.

Proposed by Mayor Frank F. Fasi and endorsed by the Honolulu City Council, the "Handi-Pass" program became effective July 1. It permits free bus transportation to all handicapped persons who carry officially issued passes and who are capable of utilizing the existing standard buses.

Honolulu expects to accommodate the non-ambulatory, including those in wheelchairs, with specially designed vans by early next year, according to Fasi.

The Handi-Pass augments the senior citizen free fare program. More than 40,000 senior citizens, age 65 and older, have received personalized passes entitling them to free bus rides during all operating hours, seven days a week.

To qualify for a Handi-Pass, a person files a form showing valid certification of incapacity by a physician or authorized community agency. A temporary paper pass is issued upon approval by the city's Department of Transportation Services.

The temporary pass is valid until the city converts to a permanent photo identification card by the end of the year.

DTS Director George C. Villegas said the temporary passes are being issued to give the department an immediate idea of how many handicapped persons there are here. "Our estimate of 50,000 is based on figures submitted by Oahu's handicapped agencies," he said. "But we are aware that not all of the disabled function through a recognized agency. Thus there is the probability of an even higher total."

Several community organizations are assisting the city in distributing the application forms. These include such agencies as the Easter Seal Society, Veteran's Administration and Hawaii Vocational Rehabilitation Division.

Also helping are Honolulu's nine satellite city halls located primarily outside the urban core.

"Our aim is to reach quickly the majority of the handicapped," Villegas said.

Eligibility is extended to all persons of all ages, Villegas added.

When the permanent program is instituted, a waiting period of three weeks will be necessary for data processing and photo and pass handling.

To inaugurate the permanent program, the city will send out this fall a mobile team equipped with camera to various community organizations and population centers. After most of the temporary pass holders have been serviced, the camera will be situated at a permanent site for new applicants.

Two types of Handi-Passes will be issued with the photo identification card program. One will be for the permanently disabled and the other for the temporarily incapacitated. If the temporary condition becomes permanent, the card holder may convert his identification card accordingly.

Honolulu also permits free passage to a person accompanying the handicapped as an attendant. No special pass is required of the attendant.

Another phase of Honolulu's new program for the handicapped is priority seating on all of its 150 buses.

Four seats at the front of the bus, each seat identified with the international logo for the disabled, will be reserved for Handi-Pass and senior citizens.

HONOLULU MAYOR Frank F. Fasi presents the first fare free bus pass for the handicapped to Gladys Nunes. Honolulu's program began July 1.

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exterior decals tell riders of priority seating on cota buses

CUSTOMER SERVICE REPRESENTATIVE Ginger Dooley shows a special decal on the outside of Central Ohio Transit Authority buses informing the elderly and handicapped of priority seating on COTA buses.

COLUMBUS, OHIO – A special decal mounted near the front entrance to all Central Ohio Transit Authority buses tells boarding customers that priority seating is available for the handicapped and elderly on the bus.

"Under our program for the handicapped we will be welcoming many for whom bus riding is a new experience," Gerald E. Mayo, COTA president said, "Assuring them of special seating as they board will put them more at ease."

The white decal with black message is mounted on the stainless steel portion of the bus exterior for easy visibility. It reads "This Bus Has Priority Seating For The Elderly and Handicapped."

Inside all COTA buses are companion notices pointing out that the six forward seats are for the elderly and handicapped, when present.

General Manager Thompson A. Nooner said that COTA thoroughly agreed with the new regulations regarding priority seating for these special users. "And, we went beyond the rules with the exterior notice to give the concept even greater emphasis."

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elderly take advantage of reduced fare

TRENTON, N.J. – Enrollment in New Jersey's reduced transit fare program for senior citizens and handicapped persons has been increasing despite delay by ConRail and refusal by some interstate bus operators to participate, according to Transportation Commissioner Alan Sagner.

The program, which offers reduced fares during non-peak hours, is voluntary on the part of the passenger railroads and bus companies unless they are subsidized by the state.

Commissioner Sagner said that enrollment has been rising steadily to its present total of about 350,000 persons. This includes nearly 2,000 handicapped persons, who became eligible March 1.

He said that all bus companies operating intrastate service in New Jersey are participating in the program.

The delay in participation by New Jersey passenger rail lines, he explained, resulted from ConRail's takeover of the bankrupt passenger lines in the state on April 1.

"Conrail does intend to honor the program, but there are still a number of legal and administrative matters to be resolved," the commissioner said.

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Passenger Transport, July 23, 1976, p. 8; Vol. 34, No. 30

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passenger transport

the weekly newspaper of the transit industry

published by the american public transit association

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PATRICELLI
... announces decision

—It's 24 inches—

umta mandates bus floor height

A new federal policy announced July 27 requires that buses bought with UMTA funds after Feb. 15, 1977 have a floor height of no more than 24 inches.

In making what he termed "an intricate and difficult decision" UMTA Administrator Robert E. Patricelli said the agency had concluded that "it was not appropriate or feasible to mandate the 22 inch floor height Transbus design."

Patricelli also announced that buses bought with federal aid after Feb. 15 must have front step risers no higher than eight inches, and must offer a wheelchair lift device as an option.

The newly mandated 24-inch height can be met by some combination of a kneeling feature and a reduced floor height, according to the new regulations.

The UMTA administrator said that bus manufacturers had assured him that interim advanced design buses like the GM RTS-2 and the Flxible 870 could meet the new specifications within a year. Officials of the third major bus producer, AM General said its buses could be outfitted to comply with the new requirements within 18 months.

In order to meet the specifications, bus manufacturers will combine kneeling features with a reduced floor height made possible through use of a smaller diameter

(See bus floor height, page 5)

subcommittee votes total accessibility

A House subcommittee, July 29, approved an amendment requiring total accessibility on all buses purchased with federal funds after Oct. 1, 1978. *(See editorial, page 2.)*

Despite transit industry, UMTA and DOT objections, the Subcommittee on Surface Transportation included the provision in its report of amendments to the Urban Mass Transportation Act of 1964. The bill will soon be considered by the full Public Works Committee.

APTA is currently negotiating a compromise amendment which will be offered to the full committee.

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atlanta proposes special transit services program

ATLANTA, GA. — The Metropolitan Atlanta Rapid Transit Authority board held a public hearing July 26 to obtain public comment on a proposal to provide special transit services for the elderly and handicapped in Fulton and DeKalb Counties.

The proposed special service program would consist of two types of service. The first is a special elderly service running regular buses to concentrations of elderly residences and connecting them with major attractors. For example, a once-weekly service might connect two or three high-rises for the elderly with a regional shopping center with one trip to the shopping center in the late morning and a return trip in the early afternoon, both during nonpeak periods. The fare for this service would be 25¢ each way. Actual routes would be arranged with administrators of the residential facilities.

The second service would have special vehicles with lift devices and other features for people in wheelchairs and the severely disabled. These routes would be based on requests for service and would provide door-to-door service to wheelchair users and severely disabled persons. It would also serve lesser disabled persons and the nondisabled elderly. The proposed fare for the special vehicle service will be $1 each way. Priority in designing routes for the special vehicle service will be given to the severely disabled making work or other regularly scheduled trips, then to other trips by these persons, and finally, to the trips of the lesser disabled. Nondisabled persons will be served as their trip needs coincide with those of the disabled.

The special elderly service could start during September, with the special vehicle service beginning as soon as eight lift-equipped vehicles are on hand, probably January 1977. The lift equipped vehicles will be converted from regular transit buses already owned by MARTA, but not now in service.

Funds have been authorized by UMTA to convert up to 20 buses for this service, adding the lift in the front door and modifying the seating to accommodate 21 passengers including four in wheelchairs.

A prototype lift bus was developed by MARTA with local funds to determine if such an approach was feasible and cheaper than buying commercial lift-equipped buses. Eight buses will be required to initiate service with the number to be increased based on experience in operations and service needs.

Available Funds

Costs of the special services will be met from fares and an allocation of up to 12½% of the federal funds available to MARTA for operating subsidy.

The anticipated costs of the special services program during fiscal year 1977 are $283,000, with revenues estimated, from 59,000 riders on the combined services, at $24,250, leaving a deficit of $264,050 to be met from federal funds.

For the four-year period fiscal years 1977-1980, the cost of providing the services is anticipated to be $2.3 million, with fare revenues from 416,000 passengers yielding $281,600, leaving a deficit of $1.975 million.

That deficit is 9.5% of the federal funds expected to be available to MARTA for operating subsidies during the period.

The special services program is one part of the overall elderly and handicapped program established by MARTA in December 1974.

The program consists of:

- providing for accessibility of elderly and handicapped persons in the rail transit system;
- providing improved accessibility in the bus system by modifying the design of future buses, and providing for a preferential seating area;
- investigating the needs for special services for persons who would not be able to use regular buses even after accessibility is improved, and designing special services with special buses to address those needs; and
- encouraging the local governments in the MARTA area to provide for improved accessibility for elderly and handicapped persons outside of the transit system, so that they can use the transit system.

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topeka gives elderly riders a 'lift'

TOPEKA, KAN. — The Topeka Metropolitan Transit Authority is starting a new program called "The Lift" for the elderly and handicapped.

The Lift offers a bus service with special equipment features, and door-to-door bus transportation for the elderly and handicapped citizens of Topeka, and is available for use by able-bodied persons as well.

Eighty per cent of the cost of the buses came from the Vocational Rehabilitation Division of the State Department of Social and Rehabilitation Services. The remaining 20% of the total amount was financed by a grant from Topeka Community Development Funds.

Joe Greve, executive secretary of the Kansas Committee for Employment of the Handicapped, started the campaign for equal services for the handicapped in Topeka. The efforts of Bob Salmon, general manager of TMTA, led to funding for the two Lift buses.

One of the first riders of the new Lift buses was Wendell Lewis, who uses the Lift to take him to and from work. Lewis said, "The Lift will make transportation a lot more convenient for me. The cost of riding the Lift is only $2 a day compared to $3-$4 a day for someone to take me to work."

The Lift will arrive at the homes of patrons to pick them up and will deliver them as close to their destinations as possible. The buses themselves feature wider doors, hydraulic lift devices and low-level steps to aid passengers in easy boarding. The interior of the buses contain wheel-chair lock-down devices, padded seats and handrails, improved lighting and conveniently placed bus stop bells.

THE LIFT—A new program initiated by the Topeka (Kan.) Metropolitan Transit Authority offers bus service that provides special equipment features and door-to-door transportation for elderly and handicapped persons. The buses are also available for use by able-bodied persons.

Passenger Transport, July 3, 1976, p. 4; vol. 34, no. 31

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July 30, 1976 PASSENGER TRANSPORT Page 11

ann arbor expands dial-a-ride service for elderly and handicapped

ANN ARBOR, MICH. — Dial-a-ride service for senior citizens and the handicapped in the Ann Arbor region will expand during the next two weeks to cover all the towns in Washtenaw County under the jurisdiction of the Ann Arbor Transportation Authority.

The service expansion's first phase begins July 26, when the dial-a-ride will cover eight new towns in two districts near Ann Arbor. A week later, on Aug. 2, seven more towns will be covered by the program. The service started June 28 in three towns.

The AATA also announced that they would provide a new service, allowing passengers who need an escort to call two days in advance to be accompanied by an authority escort. Volunteer escorts are being provided by the Retired Senior Volunteer Program run under the auspices of the Washtenaw County Parks and Recreation Commission.

The hours of service in the new areas will be 8 a.m. to 5 p.m. Monday through Friday, with advanced reservations required for trips between 9:30 a.m. and 5 p.m. on Saturday.

The service runs door-to-door in the rural areas of Washtenaw County with select stops in Ann Arbor or Ypsilanti at hospitals, shopping centers, government offices and downtown for transfers to other Ann Arbor authority buses.

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bus floor height policy announced by umta

(From page 1)

tire, the administrator said.

"Such a tire is now being produced by a foreign manufacturer (Michelin) and its successful domestic production appears probable," Patricelli said.

Defending the decision to abandon temporarily the 22-inch floor height requirement, Patricelli said, "The purposes of the Transbus program have been largely fulfilled by the requirement of an effective floor level of 24 inches and with the introduction of newly designed, more efficient and attractive transit buses into production in a competitive market."

He added that UMTA will continue to sponsor efforts to reach a 22-inch floor height on buses, but said this goal should be met in "an evolutionary fashion," when the "technical componentry" has been developed.

Mandating a 22-inch requirement would delay introduction of newly designed buses into regular use from three to five years, Patricelli noted. "Yet these more attractive and efficient buses are needed as soon as possible to meet current demand."

Citing estimated 7-25% increased costs to develop the low floor bus, Patricelli said "it would be unwise to force up prices even more by federal regulation" in view of government worries about rising bus prices.

While "it is certainly true that floor heights of 22 inches or less would offer some advantages . . . UMTA concludes that the marginal additional benefits in going from an effective 24-inch height to a 22-inch floor height do not merit the substantial additional costs involved in any such federal mandate imposed at this time," he said.

The UMTA decision drew immediate fire from a coalition of 12 organizations representing the elderly and handicapped that has filed suit to force DOT to require that all new buses comply with the original low floor specifications.

The group charged that the decision to delay a 22-inch floor is a "disaster for the elderly and handicapped," a spokesman for Disabled in Action of Pennsylvania said.

Patricelli responded, noting that it is government policy to allow local jurisdictions to decide how they will meet federal regulations for increased service to the disabled and accessibility requirements.

The Transbus program was initiated in 1971 to spur the introduction of newly designed, advanced transit buses and to restore competition among manufacturers, none of which had produced a new design since 1959.

Since the program was inaugurated, prototype vehicles have been developed by the three producers.

From these prototypes, performance specifications were developed by UMTA and the manufacturers. Continued disagreement has come on the question of floor height and whether the use of any single series of specifications should be required by the government.

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apta editorial

all things to all people

Replete with rapid-fire promises, shopping center hand-shaking and rousing pronouncements, the election season is upon us once again. As each season brings with it its own brand of feelings and foibles, the campaign season too ushers in its own particular phenomena. Notably, during the pre-Election Day months, those who would be elected feel the compelling urge to be all things to all people. Such was the case last week as the House Subcommittee on Surface Transportation approved an amendment mandating total accessibility on all buses purchased with UMTA assistance after Oct. 1, 1976.

APTA's policy has been one of opposition to a mandated fully accessible vehicle. Rather we believe that localities should have fully accessible buses available if that is the option they choose to pursue. We have expressed this position to the members of the subcommittee and to other bodies of the Congress and the Department of Transportation time and time again.

The transit industry has played a most active role in the process of developing national mobility goals for elderly and handicapped persons. We fully endorse the goal of providing transportation services for this segment of the population.

While we believe that it is desirable to provide strong national guidance as to the role of public transportation systems in providing mobility for all Americans, we also believe that local communities must have the ability to decide for themselves the specific ways in which a nationally determined goal will be met. There are numerous alternative choices available to society which will accomplish the mobility goal. Each alternative may have benefits and disadvantages associated with it. However, local decisions as to the choice of alternative transportation service must be premised on local needs. In some communities, it may be feasible and desirable to provide full accessibility to fixed public transportation facilities as part of an integrated system to meet mobility needs. In other communities, however, accessibility to fixed facilities may not be the answer to this need or it may be a long range objective.

We plan to submit to the Congress an alternative plan to the mandated accessibility amendment. We look forward to its due consideration. In the interim, let us not jump to accept a plan which may appear to be well-meaning on the surface but which exhibits serious weakness upon deeper examination.

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manufacturers react

"Our reaction is that we are not surprised. We can meet the requirements—given time. Our bus is not a current bus, it was an advanced bus when it came out. It's advanced now." . . . James H. Drum, vice president for government affairs, AM General Corporation

• • •

"We're not surprised. We had anticipated that this would be announced. It will mean a modification, but not one so major that we can't implement it within the time constraints. It will mean some work on the front end suspension, and use of a new type of tire. Such a tire is being produced by Michelin. We share concern for our elderly and handicapped riders and remain prepared at any time to work toward the original 22-inch floor height called for in the Transbus program." . . . Tom Bernard, general manager, Flxible Company

• • •

"After our testimony in May, we felt that sooner or later, of course, a decision would be made. We're studying this thing. We are testing a new smaller diameter tire which I believe will be successful; the smaller size will lower the 32-inch floor on the RTS-2 to 29 inches, and the kneeling feature will bring it down to 24 inches. In June we said we could adapt it in 12 months. I would assume we will be accelerating our efforts. Obviously we intend to stay in the bus business." . . . Keith Pitcher, assistant director of public relations, GMC Truck and Coach Division

Passenger Transport, July 30, 1976, p. 5; vol. 34, no. 31.

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THE VERSATILE TRANSMODE

Total accessibility and passenger convenience is the theme behind this unique unit. Features are manifold:

- The RICO Transmode is the only vehicle of its type with spacesaving folding side doors, which also permits easy access for wheelchair passengers.
- The hi/low windows and wraparound windshield allows unrestricted viewing for wheelchair passengers, seated passengers and driver.
- Front-wheel drive allows a low floor area due to the absence of a driveshaft.
- Smooth and quiet air cushion ride.
- GMC dependability and parts availability.
- Versatile floor plan designs make the Transmode a dual purpose vehicle adapting to wheelchairs, transit seating or any combination, so that the vehicle never stops paying for itself.

E&H Transmode

INNOVATIVE WHEELCHAIR LIFT

The 3-position hydraulic wheelchair lift is totally concealed inside the floor when not in use, providing easy-to-use steps. The lift operates in minimal extension and regression time, and is built for continuous transit service. Conveniently located inside and available outside controls make lift operation possible for driver or passenger. An added safety feature is an outside caution sign and warning buzzer that activate when the lift is in use.

E&H Transporter

Compact maneuverability and reliable daily service for transporting the elderly and handicapped describe the Dodge Maxi Van Transporter. Features include: Double-shell insulated fiberglass roof for increased head room and temperature control; driver-operated passenger door with extra high/wide head area and extra-low protected built in steps; large wheelchair entrance means no ducking or bending for wheelchair passengers and naturally, custom floor plans are available to suit virtually any need.

ABOUT RICO

RICO has established a solid reputation through the years in the specialty vehicle industry for outstanding product design and dependability. Spread out over 150,000 sq. ft. of the Warren Space Center, the plant facilities boast over 150 highly skilled technicians . . experts in every phase of specialty vehicle design and construction.

Currently, there are over 5,000 RICO specialty vehicles on the nation's roadways, quite a testimonial to product appeal and reliability.

RICO

"Special Transportation Vehicles"

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5232 Tod Avenue, Dept. PT, Warren, Ohio 44485

Passenger Transport, August 6, 1976, page 5, vol. 34, no. 32.

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austin starts e&h service

AUSTIN, TEX.—Over 70 people including Austin Mayor Jeff Friedman, the city manager, members of the City Council, state and local agency representatives, and interested citizens attended the July 19 dedication ceremony for the city's new Special Transit Services Program.

Mayor Friedman described the new service as the result of "people interested in their neighbors," adding that it should meet the needs of Austin residents who because of physical disability are prevented from using the conventional city transit system.

During the ceremony, the mayor demonstrated the process that wheelchair patrons will use when boarding one of the five specially equipped vehicles which will be used in the demand-responsive service.

An eligible rider will call the Special Transit Services Office 24 hours in advance to schedule a trip for the next day. Requests for service are accepted from 8 a.m. until 3 p.m. When the vehicle arrives the rider will present a special rider identification card, issued by the Austin Transit System.

Fare for the special service is 50¢ per one-way trip. This fare also applies to those persons who wish to travel with an eligible rider on a space available basis.

POSTERS and information brochures at over 130 locations throughout Austin are helping to spread the word about the new special transit services program.

Special aides and attendants who are required to travel with disabled riders are allowed to travel free.

Riders call the Special Transit Services Office when ready to return and a vehicle is dispatched. All residents in the Austin metropolitan area, who because of physical disabilities, are unable to use conventional transit, may apply for the special service by completing a rider information application. All applications must be accompanied by a physician's statement and returned to the Austin Transit System for review.

A letter is mailed to each applicant telling whether the person is eligible. At first, priority will be given to serving wheelchair riders making work, school or medical trips. Other trips for the non-ambulatory, and for semiambulatory persons who use crutches, orthopedic or sight canes, walkers, and/or require special lifts, ramps, other equipment or personal aides, persons with acute heart or respiratory ailments, legally blind, are scheduled on a space available basis.

The hours of operations for the special transit service are Monday 7 a.m. to 7 p.m., Tuesday through Friday 7 a.m. to 10 p.m.; Saturday noon to midnight; Sunday 9 a.m. to 1 p.m. and 5 p.m. to 9 p.m.

All the drivers of special transit services vehicles received training in serving special transit needs, including Red Cross First Aid Certification, sensitivity training and role playing. Volunteers from local agencies sponsoring handicapped clients, and handicapped citizens participating in the program and provided valuable input.

Cooperation from local merchants, banks, hospitals and clinics has resulted in information brochures, posters, and applications being available at more than 130 locations throughout the city.

Passenger Transport, August 6, 1976, p. 2, vol. 34, no. 32.

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michigan expands e&h services

LANSING, MICH. — A federal-state transportation grant of $799,100 is helping to place 52 small buses in service for elderly and handicapped persons in 30 counties this year, the Michigan Department of State Highways and Transportation reported Aug. 3.

An additional $440,000 grant by the State Highway Commission is placing 20 small buses in 17 additional counties for service to the elderly and handicapped. This program is funded by the state and includes some operating funds.

By the end of the year, 94 commission-funded vehicles for elderly and handicapped persons will be running in 62 of Michigan's 83 counties.

Department Director John P. Woodford said UMTA has granted $639,280 in federal matching funds to supplement the state's $159,820 grant.

The funds are being used to purchase 24 specifically equipped buses and 28 regular small buses for private non-profit agencies, such as Councils on Aging, Community Action centers and rehabilitation agencies, Woodford said. Estimated cost of the buses ranges from $11,000 to $21,000 each.

"We are striving to achieve the governor's goal of providing adequate transportation for all," Woodford said. "Our elderly and handicapped people have the greatest need. We are providing service where there is no service and improving service for them in other areas. This is a big step in our efforts to provide total transportation for Michigan's citizens."

Last year, 22 small buses were placed in 15 counties through the Department's Elderly and Handicapped Program, funded by the state.

Both small bus programs provide money for buses and equipment. Only the state program provides operating assistance.

Both the new small bus programs and the E&H project are one-year programs.

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dial-a-ride running at capacity

LONG BEACH, Aug. – Special dial-a-ride bus service for the handicapped here has been in operation for six months and the original six buses are now running at capacity.

The service is being operated by the Diamond Cab Co. through a lease agreement with the Long Beach Public Transportation Company, whereby the bus company furnishes the equipment and the service is subsidized on an hours-of-operation basis. According to LBPTC Executive Vice President and General Manager William Fazel, the handicapped community is delighted with the service, as it allows them to go about their business anywhere in the area, whether it be for shopping, recreation, or doctor visits.

Door-to-Door

Passengers are carried directly from home to destination and according to a recent LBPTC survey, passengers prefer such service to ramps on buses which would require them to walk or ride their wheelchairs several blocks to a bus line.

Passenger Transport, August 23, 1976, p. 6; Vol. 34, No. 33.

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THE DRIVER ON the hydraulic wheelchair lift will soon be assisting the truly handicapped as they board his vehicle.

cleveland drivers master sensitivity training

CLEVELAND, OHIO — The Greater Cleveland Regional Transit Authority has started a special transportation system designed especially for the elderly and handicapped among the more than two million residents of Cuyahoga County. It is known as Community Responsive Transit, or CRT, and is being run as an adjunct to regularly scheduled bus and rapid transit lines.

Beginning in May, with the takeover of an expiring UMTA demonstration project, and expanding in July to cover approximately 30 square miles of three well-populated urban areas, the growing program is expected to offer various levels of service within a year to elderly and handicapped residents throughout the county's 264-square-mile area.

The recent expansion of the program confronted RTA for the first time with the need to train an entirely new group of specialized drivers, each of whom is now qualified to operate both conventional small buses, as well as those in the fleet that are equipped with hydraulic wheelchair lifts. A total of new CRT drivers completed the indoctrination course, which covered 15 days.

"We would be the first to admit the extreme difficulty of obtaining either short- or long-run demonstrable, measurable results from the training program," said John V. Terango, CRT administrator. "We were in uncharted waters. A combination of sound practices that have been proven throughout the transit industry, coupled with a heavy dose of intuition and judgment, are required in such a situation."

According to Leonard Ronis, RTA general manager, "Each of our able-bodied drivers simulated being both 'crippled' and 'blind' before ever driving their first CRT run. They knew the unnerving feeling of rolling onto lift and having their wheelchair raised to the bus floor. They know the fear and darkness of the blind and what it's like to climb the bus' stairs and listen for the destination they cannot see. They can relate. We cannot overemphasize our feeling of the importance of such sensitivity training."

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A BLINDFOLDED DRIVER trainee learns what it's like to be blind—if only on a temporary basis. She is being assisted by another driver trainee who is learning the special requirements of the handicapped.

Another highlight was a very vocal panel of elderly and/or handicapped persons who told the new, young CRT drivers of their problems boarding and alighting and what they needed in the way of assistance. The panel included those who use wheelchairs and walkers as well as those who are blind.

In total, the indoctrination program started with eight days of what RTA calls "basic training." This consisted of such items as handling the small bus, maneuvering it in traffic, making turns using the pivot point, the operation of doors and other special requirements. This was followed by two days of sensitivity training—simulating the driver's individual participation as a blind or crippled rider. These days of actual road training followed— operating the bus in specific neighborhoods, making door-to-door pick-ups and drop-offs. Great emphasis during all aspects of behind-the-wheel indoctrination was placed on defensive driving.

The ultimate goal of CRT is to provide a safe and convenient form of transportation for the elderly and the handicapped. There are no fixed routes. Passengers may be picked up at different points during any trip.

CRT is free to those who qualify—any person over 65 who has an RTA Senior Citizens Pass, any person with an RTA handicapped pass, or any person with a pass from the earlier UMTA demonstration project.

Riders must reserve a trip at least one day in advance by calling a special number. They may subscribe in advance for trips which will be repeated on a regular basis. The service is being used within three operational areas for medical, religious, recreational and shopping purposes.

Although CRT is closely coordinated with regular transit runs and conventional transit vehicles, it also involves some special vehicles and scheduling at the neighborhood level. The basic criteria for its implementation in each service area includes the concentrations of elderly and handicapped persons and the income levels of the elderly.

Passenger Transport, August 20, 1976, p. 4; Vol. 34, No. 34.

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florida agency studies needs of the disabled

ORLANDO, FLA.—Ben Benham, chairman of the Orange-Seminole-Osceola Transportation Authority has announced that OSOTA is initiating an extensive survey to determine the transportation needs of the handicapped. The information received from the survey will be used in designing a route or routes that will be operated using a specially equipped bus already on order.

The 13-passenger bus is equipped with a hydraulic lift so that customers confined to wheelchairs or others unable to use the present transit system may be served. Benham said that practically no data is on file on handicapped persons as to where they live, what their transportation needs are and how OSOTA can be of service to them. OSOTA is committed to providing the special service, Benham said, and the data received from the survey is the first step in addressing the needs of the handicapped. The survey would provide information on where, when and how the first bus can be most effectively used and will also provide a base for justifying the purchase of additional buses.

"We can envision a whole fleet of buses serving the three-county area and the bus scheduled for delivery in mid-October will serve as a pilot project toward this goal", he said. "I've been told the need is there and the survey will tell us where it is and how best to serve it."

OSOTA has been working with 35-40 agencies who serve the handicapped community in various ways and these agencies have agreed to help distribute the questionnaire to their clients. The questionnaire, together with a letter and a self-addressed envelope will be mailed shortly.

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Bi-state announces 10-point program

ST. LOUIS, Mo. – The Bi-State Development Agency announced Aug. 11 a 10-point program to improve public transportation services for elderly and handicapped persons.

The program will include a new 10¢ off-peak hours fare beginning this fall, said Robert J. Hart, executive director.

Other highlights of the program include demand response service, passenger shelters, bus stop signs, information centers, new buses, modification of existing buses, coordination with nonprofit organizations serving the elderly and handicapped, hiring of a full-time staff specialist, and research surveys.

Reduced fare eligibility, currently restricted to senior citizens and the blind, is extended to all riders with physical or mental handicaps. Guided by a twenty-member committee formed by Bi-State and East West Gateway Coordinating Council in November 1975, Bi-State will begin about its demonstration service, utilizing small buses equipped with wheelchair lifts. Hart said other prospective equipment improvements involve the provision of new passenger shelters and signs, as well as new buses and modification of existing vehicles permitting the disabled easier access.

Fare Reductions

Bi-State, which has lowered its fare for blind and elderly riders from 25¢ to 15¢, will begin this fall to transport the elderly and all handicapped for 10¢ during off-peak hours 9 a.m. to 4 p.m. and after 6 p.m. weekdays, and all Saturdays, Sundays, and holidays.

In addition, the 10¢ peak period fare will now apply to all handicapped passengers. New identification cards for the handicapped will be issued, and service agencies will be authorized to certify their clients for card eligibility. Hart said that specific details on this program will be forthcoming in the very near future.

Demand Response Service

Later this year, a pilot demand response program will be instituted in the University City-Clayton-Richmond Heights area, using funds to be received from St. Louis County. Hart noted that some bus lines have been revised where appropriate to improve service to elderly or handicapped residential complexes and activity centers.

In a move to provide greater bus accessibility to elderly and handicapped persons, Bi-State is ordering 200 new buses with a special kneeling feature which lowers one side by five inches. Passenger seats in these vehicles will be arranged to give increased leg and head room.

Lift Installation

Bi-State, using its own maintenance personnel, also plans to install hydraulic wheelchair lifts, wheelchair stalls, and wider doors in some of the 900 buses in its current fleet. These vehicles will serve neighborhoods that have high concentrations of elderly persons.

Hart reported that Bi-State has approved a number of recent applications by nonprofit area groups to purchase special vans for transporting elderly and handicapped persons. The agency is working with more than 40 different groups to help blind and disabled persons in addition, signs requesting voluntary courtesy so that elderly or handicapped riders may have priority for certain seats will be installed on all buses this fall.

Hart said that Bi-State will soon have a full-time specialist to plan additional handicapped and senior citizen services

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houston inaugurates barrier free transit service

HOUSTON, TEX. — HouTran recently inaugurated a new fixed route Barrier-Free-Transit service for elderly and handicapped residents here.

"This specialized service," explained Barry Goodman, administrator of the city's Office of Public Transportation, "was specially designed with consideration for the transit needs of limited mobility commuters. Small buses equipped with hydraulic wheelchair lifts operate on three fixed routes that connect key residential, medical, educational and shopping centers in metropolitan Houston."

"The routes were designed," Goodman said, "by the Office of Public Transportation and HouTran in cooperation with approximately 25 social service agencies and the Coalition for Barrier Free Living, a local special interest group representing the handicapped community."

Fare Structure

The fare for barrier free transit is the regular HouTran base of 40¢ plus a 10¢ zone charge. Handicapped persons and senior citizens over age 62 with appropriate HouTran identification cards may ride for the half fare of 20¢ and no zone charges. Commuters using wheelchairs are eligible for the reduced fare without special identification.

The barrier free transit service is a part of a series of programs sponsored by the City of Houston for the benefit of low-mobility citizens. In 1975, the Office of Public Transportation distributed over 6,000 transit need survey forms to numerous social service agencies, residences, handicapped equipment suppliers and medical facilities.

In October 1975, the City of Houston received six small buses with wheelchair lifts to aid in serving low-mobility commuters. Because information gathering by the area-wide survey was not sufficient to enable the city to design a subscription transit service, the wheelchair-equipped buses were placed into fixed-route service system. The service will be carefully monitored and evaluated over the next six months to determine if the routes can significantly aid the mobility of handicapped Houstonians."

Second Approach

Meanwhile, the city Office of Public Transportation is considering a second approach to provide transportation for the elderly and handicapped. Based upon the results of continuing studies, the city is planning implementation of a demand-responsive feeder system using smaller vehicles to provide door-to-door service for the elderly and handicapped. This para-transit program would provide increased service to areas of the city which currently lack public transportation for low-mobility commuters.

Former Service

The buses were initially used as part of the city's downtown system to provide assistance for the elderly and handicapped and were included on circulation routes during non-peak hours with special small bus stops being designated for the handicapped.

In an attempt to design a service specifically to meet the needs of the elderly and handicapped, the city opened a wheelchair-equipped small bus shuttle between the Texas Medical Center and the Central Business District in February.

The Texas Medical Center route is now part of the new fixed-route barrier free transit service. Two other barrier free routes serve major residential and educational facilities. Free transfers between the three routes may be made at the University of Houston main campus and the Texas Medical Center, as well as downtown. The downtown stop also connects with Houston's barrier free tunnel system which provides easy access to most major downtown buildings.

As a part of the overall marketing effort to improve transit information in Houston, special signs were developed for barrier free transit using the handicapped

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elderly and handicapped regional workshops set

Three regional workshops sponsored jointly by several federal agencies on transportation for the elderly and handicapped will be held in Boston, Mass., Kansas City, Mo., and San Francisco, Calif. during the month of September.

The workshops are sponsored by the Administration on Aging, the Rehabilitation Services Administration, both in the Department of Health, Education and Welfare, and the Office of the Secretary, the Federal Highway Administration and UMTA from U.S. DOT.

The workshops will be held to:

- acquaint federal, state and local personnel with the resources available for transportation for the elderly and handicapped;
- enhance cooperation between agency providers of transportation services; and
- provide opportunities for improved coordination between providers of special transportation services and local public and private transportation operators.

Contacts

The conference in Boston will be held Sept. 14-15, the Kansas City workshop will run Sept. 21-22, and the San Francisco gathering is slated for Sept. 28-29.

Persons wishing to attend the Boston conference should contact Franklin Olivierre, director, Office of Aging, Department of HEW, Region 1, J. F. Kennedy Federal Building, Government Center, Room 2007, Boston, Mass. 02203.

For the Kansas City gathering, Gregory Wilder, Office of Aging, Department of HEW, Region 7, 601 E. 12 St., Kansas City, Mo. 64107 is the individual to contact.

Ms. Hargrow, Office of Aging, Department of HEW, Region 9, 50 United Nations Plaza, Room 206, San Francisco, Calif. 94102 is the San Francisco contact.

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elderly/disabled ride in new york

NEW YORK, N.Y. – Metropolitan Transportation Authority Chairman and Chief Executive Officer David L. Yunich said that starting Aug. 19 senior citizens and physically handicapped persons will be able to ride the commuter trains between Port Jervis, N.Y. and Hoboken, N.J. at half of the regular one-way fare.

The MTA's half-fare privileges will be valid on all commuter trains for travel to, from or between stations in the area.

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free rides for centenarians

LYNCHBURG, VA. — Local residents, aged 100 years or over will be able to ride Greater Lynchburg Transit Company buses for free as guests of the system.

Three Lynchburg area citizens, all over 100 years of age, were honored Aug. 13 by the GLTC Board of Directors at special ceremonies held at the regular monthly meeting of the board at City Hall. Dr. Robert Hill, board president, presented the Centenarian Guest Pass to the three, adding that the "transit system feels most privileged to be able to serve such distinguished citizens, and our guest pass will allow them to ride any of our buses at any time without charge."

The three recipients of the Centenarian Guest Pass are George W. White, 107, Daniel Thurman and Robert Blair, both 104.

Hill said that as far as is known, the GLTC program is the first of its kind in the country. At least one of the recipients is a regular user of the transit system, he said, adding that he hoped that all the individuals would be able to make extensive use of the pass.

The suggestion for the Centenarian Guest Pass was made by GLTC driver, W.B. Wood.

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pittsburgh encourages special fare programs

PITTSBURGH, PA. — Port Authority Transit is launching a special campaign to encourage elderly and handicapped persons to register for free and reduced-fare transit available under federal and state funding programs.

"We're making a special effort to insure that all elderly and handicapped persons are aware of how to take advantage of the special fare programs," PAT Executive Director James R. Maloney said. "We are asking various social service agencies, the news media and the public to help spread the word throughout the community."

Under federal and state regulations, handicapped persons under the age of 65 may ride anywhere in the PAT system for half-fare in off-peak hours. Elderly persons 65 and over are entitled to ride PAT free in off-peak hours under a state program funded through its lottery.

An important goal of the registration drive is to obtain information necessary to plan improved transit services for elderly and handicapped persons. Although it is not mandatory, PAT is asking each registrant to fill out a questionnaire.

"The questionnaires will give us information about the elderly and handicapped, such as where they live and work, and what their transit needs are," Maloney said. "This information will be helpful to us in developing transit services tailored to the special needs of these people."

Generally, an individual whose mobility is limited because of a physical or mental disability is considered handicapped.

A handicapped person may obtain a registration form by visiting an authorized social service agency. The form must be filled out and certified by an authorized social service agency or a physician.

An elderly person 65 or over may ride the PAT system by showing a Medicare card. Senior citizens also can obtain PAT ID cards. Proof of age must be submitted.

Of the estimated 209,000 senior citizens living in Allegheny County, 125,000 are currently registered for the free transit program. Over 3,300 of the estimated 23,000 handicapped persons under 65 are registered for the half-fare program.

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A SPECIAL TRANSPORTATION program for the elderly and handicapped residents of Cohoes, N.Y., was recently upgraded with the delivery of a new air-conditioned small bus, equipped with a hydraulic wheelchair lift. The Capital District Transportation Authority is providing the specially-equipped vehicle to the city. Pictured here on the day CDTA turned the bus over to Cohoes are, from left: CDTA Chairman Joseph Purillo, Mayor Ronald Canestrari, and Cohoes residents Darlene Ricard and Nancy Herring, who depend on the special service for their transportation. CDTA is also providing the City of Rensselaerville with a similar vehicle and will make another vehicle available to other municipalities on a part time basis

Passenger Transport, September 10, 1976, p. 7; Vol. 34, No. 37.

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new jersey gets federal money for disabled

TRENTON, N.J.—Transportation Commissioner Alan Sagner has kicked off the New Jersey Department of Transportation's 1976 effort to provide transportation for elderly and handicapped persons by announcing that $653,625 has been made available by the federal government to provide new vehicles for the program.

At the same time, he sent letters and application forms to 640 private, nonprofit organizations throughout the state who have expressed interest in obtaining vehicles.

The $653,625 in federal funds, from UMTA includes a $581,000 basic allocation plus a contingency fund of $72,625. A local matching share of $145,250 is to be provided by the organizations which receive the vehicles bringing the total amount to $798,875.

"Although N.J. DOT was able to make the 20% local share available last year," Sagner said, "sufficient funds are not available this year to allocate for this purpose."

He noted that 52 organizations are receiving 88 vans, station wagons and buses which were purchased in last year's program, amounting to $731,920, but that because of higher costs due to inflation, it is expected that fewer vehicles will be available in the new program.

Passenger Transport, September 17, 1976, p. 7; Vol. 34, No. 38.

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PHILADELPHIA, PA.—A Philadelphia radio station with the unusual call letters RICB has been a boon to the Southeastern Pennsylvania Transportation Authority in communicating with a large segment of handicapped persons and encouraging them to use public transit in the southeastern Pennsylvania region.

RICB stands for Radio Information Center for the Blind. The station can be heard only by persons with special radio receivers.

In early September, SEPTA and RICB got together to help blind people use public transit to the Philadelphia Civic Center Sept. 11 for the White House Regional Forum on the Handicapped, attended by more than 350 disabled persons. The product was a taped five minute question-and-answer session describing the SEPTA route to the Civic Center. This information was supplemented by news that two kneeling buses would be available on the route all day.

There are now some 2,000 subscribers to the station, all legally blind, who borrow receivers for $15 a year. Much of its programming is the reading of daily local and national newspapers, magazines and books.

SEPTA Shows

SEPTA officials have been heard on RICB regularly, most frequently on half-hour shows produced by the Nevil Interagency Referral Service for the Blind. The first program, announced and described the SEPTA Braille Guide, a 52-page regional transportation instruction book written by SEPTA and edited, printed and distributed by Nevil. An updated second edition will be published this October, and then discussed over RICB.

The most interesting RICB appearance for SEPTA participants came in September 1975, when SEPTA announced its reduced transit fare program for handicapped persons. The show was a live, two-hour, two way telephone program which put the people in the RICB studios in direct contact with listeners

SEPTA officials also served as panel members during the Southeast Regional Meeting of the Pennsylvania Federation of the Blind on May 8.

BEFORE A RADIO interview, Southeastern Pennsylvania Transportation Authority Chairman James C. McConnon (at left in photo at right), is shown how the blind read the SEPTA Braille Guide with their finger tips by Sanford Alexander of the Nevil Interagency Referral Service, editor of the 52-page book.

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STANDING IN FRONT of a community responsive vehicle is Administrator John V. Terrago of the Greater Cleveland Regional Transit Authority's Community Responsive Transit service.

cleveland to use taxicabs in new dial-a-ride service

CLEVELAND, OHIO — A major expansion of the Greater Cleveland Regional Transit Authority's Community Responsive Transit program involving contract taxicab service, will be inaugurated in three greater Cleveland areas in early October.

This will be the first time that RTA has contracted with a private company to meet CRT needs, according to John V. Terango, CRT administrator. The RTA Board of Trustees, authorized Sept. 7 a contract with the Yellow Cab Limousine Company for providing CRT service in areas of the county where population is relatively less dense.

"CRT in these newest service areas will be operated just as it is operated in the three existing city of Cleveland areas." Terango said.

CRT is free to those who qualify—any person over 65 years of age who has an RTA Senior Citizen Pass or any person with an RTA Handicapped Pass. Riders must reserve a trip one day in advance.

Requests are accommodated on a first-come, first-served basis.

CRT service may be used for trips within the designated geographical area for medical, religious, recreational and shopping purposes.

"Our aim is to expand CRT into a truly county-wide operation," Terango said. "Additionally CRT equipment is included in a major capital grant application which the RTA has made to the federal government. As soon as new equipment becomes available, we will be able to expand CRT into other service areas."

assenger Transport, October 1, 1976, p. 5; Vol. 34, No. 40.

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philadelphia to apply for special buses

PHILADELPHIA, PA. — The Southeastern Pennsylvania Transportation Authority Board has approved a program authorizing the authority to apply for grants for 190 new buses, specially equipped for the transport of elderly and handicapped persons.

Nearly 50 buses in the new fleet will be equipped with wheelchair lifts and the remainder will contain devices to make the buses kneel, reducing the height of the first step on the bus from 12 to seven inches.

The federal share of the program will come from interstate transfer funds. Other funds will be provided by the Pennsylvania DOT and from local sources.

The board also approved a resolution to develop a program of short and long term projects to make the SEPTA system more accessible to the elderly and handicapped.

Passenger Transport, October 1, 1976, p. 6; Vol. 34, No. 40.

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study suggests expansion of cleveland's community responsive transit service

CLEVELAND, OHIO – The implementation of two complementary Community Responsive Transit networks is among the recommendations made in a report of a group of Harvard University graduate students who spent the 1976 spring semester evaluating CRT in Cuyahoga County for the Greater Cleveland Regional Transit Authority.

In announcing the conclusions of the Cleveland CRT Workshop, RTA General Manager Leonard Ronis said, "We are tremendously pleased with the high caliber of work contributed by the 17 students from the Department of City and Regional Planning of the Harvard University Graduate School of Design. The thoughtful report which they have given us should prove to be an invaluable aid in the continued development of CRT in the greater Cleveland area."

Ronis also expressed the RTA's sincere thanks to the George Gund Foundation and the Cleveland Foundation, each of which contributed $7,500 toward funding the study workshop.

Workshop members, who made frequent trips to Cleveland during the course of the semester's research, concluded that the population eligible for CRT actually can be divided into two groups: the elderly and the majority of handicapped persons, on the one hand, and the severely handicapped who are unable to utilize transit vehicles without the assistance of a ramp or mechanical lift, on the other.

Because the travel needs of these two groups differ considerably, the study group recommends the provision of two separate transportation systems. One would be a network of CRT programs in each of 14 separate service areas and would satisfy off-peak intra-community travel for the elderly and most handicapped users. For those CRT users who require more specialized equipment, there would be a county-wide network which would utilize such vehicles primarily during weekday peak hours.

The report also contains several appendices outlining:

- the scope of transportation services provided by social service agencies in Cuyahoga County;
- experiences in other cities with elderly and handicapped service;
- the demand for CRT services in Cuyahoga County; and
- how to allocate CRT service throughout the county.

AT CEREMONIES FOR the inauguration of expanded Community Responsive Transit services through a first time agreement with the Yellow Cab Company and the Greater Cleveland Regional Transit Authority were from left, Roy Kiely, president of the Yellow Cab Limousine, Inc.; William B. Norris, RTA board member and chairman of the Operations and Marketing Committee; John V. Terango, CRT administrator and Leonard Ronis, RTA general manager.

Passenger Transport, October 8, 1976, p. 10; Vol. 34, No. 41.

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special services begin in atlanta

ATLANTA, GA. — The Metropolitan Atlanta Rapid Transit Authority began the first part of its special transit services for the elderly and handicapped Oct. 1, with two routes providing elderly persons with access to shopping centers.

In addition to the two initial routes, 26 other routes will be put into operation in coming weeks.

The special routes, designated E-Bus service, provide direct service from some 29 high-rise and other elderly housing facilities to eight area shopping centers. No stops other than at specified residential facilities, are made and no transfers are available.

MARTA adopted a two-part program of special transit services for the elderly and handicapped Aug 23.

The special elderly service or E-Bus uses regular transit buses during non-peak periods. The service is oriented to the able-bodied elderly who are able to use standard buses and whose primary travel need is for shopping, personal business and recreation trips. The fare is 25¢ each way.

E-Bus services were designed in consultation with the administrators of residential facilities, with groups and area service centers. The routes will operate on a regular, periodic basis according to requests and the ability to maintain relatively high patronage levels. Some routes will be operated weekly, some bi-weekly, and some monthly, depending on the level of service required.

The second type of service MARTA will establish, after the first of the year, is the special vehicle service or L-Bus. The L-Bus service will use special buses equipped with lifts to accommodate wheelchair users and semi-ambulatory passengers who cannot use a standard bus. Routes for the L-Buses will be established by requests for trips made by disabled persons. However, the service will be available to any person whose travel needs are met by the special buses.

L-Bus routes will not necessarily be operated every day, but will be scheduled based on actual need and requests made to MARTA. L-Bus service will provide door-to-door pickup and delivery, with a fare of 51 each way.

MARTA will convert standard transit buses which have been retired from regular service to L-Buses. In addition to adding a lift device on the front door of each bus, the interiors will be modified to accommodate four wheelchairs and 17 seated passengers. Federal funds from UMTA have been approved for 20 bus conversions.

A prototype L-Bus was recently converted by MARTA with its own funds. L-Bus service will begin as soon as eight buses are converted.

MARTA's elderly and handicapped special transit services program was approved by the board of directors Aug. 23, following a public hearing on July 26. The cost of providing the service will be met by fares and federal operating assistance funds. No local sales tax funds will be used for subsidy of these services.

The amount of federal operating funds allocated will not exceed 12½% of the total funds available to MARTA for general operating assistance.

13.7-mile rail system will be accessible to the elderly and handicapped.

For fiscal year 1977, some $290,000 has been budgeted for the special services program. An increase to $500,000 in fiscal year 1978 is anticipated.

In addition to the special services program, MARTA is assuring that the

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William Farell's article is the first in a series of pieces to appear in PASSENGER TRANSPORT, on an irregular basis, dealing with the responses of various transit systems to the pressing and unique transportation needs of our elderly and handicapped citizens.

LONG BEACH, CALIF. — Four years ago the Long Beach Public Transportation Company reduced fares for senior citizens from 30¢ to 20¢ and one year later fares for the elderly were further reduced to 10¢, with no restrictions, seven days a week. Senior citizens were permitted to ride for 10¢ fares by showing the drivers their Medicare card or other identification.

Six months later LBPTC dropped the age restriction from 65 to 62 and at that time, included the handicapped passengers of any age, to ride for a 10¢ fare upon proper identification.

During the early part of 1975, the system became aware of the need of the handicapped community for a special service with small buses equipped with hydraulic lifts. "It was impossible for

want hydraulic lifts on regular transit buses because of the danger and inconvenience of rolling their wheelchairs down the street at night or during bad weather. Additionally, curbs were not built for wheelchairs. It would be necessary for wheelchairs to travel down the streets in a lane of traffic which would present great hazards.

The handicapped community unanimously requested that LBPTC put on special small buses with hydraulic lifts and operate those buses on a dial-a-ride basis.

The committee then put together a policy of operation that included dial-a-ride service which would be limited to the elderly and the handicapped. After the policies were developed, publicity through the media notified the handicapped that individuals could obtain special identification cards which would permit them to ride the handicapped service on a dial-a-ride basis and the fare was pegged at 50¢ per trip, with 10-ride books being sold for $3.50.

Bus Purchases

regular transit system. The wheels were set into motion by conducting meetings with a committee made up of public officials and members of the handicapped community.

During the discussions, much research was developed about the type of service which was needed and desired by the handicapped. The result was that handicapped persons in Long Beach did not

FARELL

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proval of applications and at the same time agreed to subsidize the operation with Diamond Cab.

It was found that this was not only a more economical method of operation, but more practical since the cab company could utilize its current dispatchers who were fully experienced in dispatching taxi cabs.

The service went into operation in February 1976 and it was an instant success because it provided an economical and efficient manner for handicapped people to move around the area.

Able-bodied senior citizens are still carried for 10¢ on the regular transit buses and people who are handicapped and unable to walk to, or board the regular transit system buses are issued a permit to utilize our dial-a-ride service for the handicapped.

Running at Capacity

At the moment the small buses for the handicapped are running to capacity and by the end of the year the service will be expanded in order to end unnecessary waiting periods for prospective passengers.

The service has been carefully analyzed and consultations with the handicapped on board the small buses have been conducted in order to find out if they are pleased with the service.

All of the handicapped people who have been interviewed, have said the service is far superior to ramps or lifts on transit buses.

Many handicapped people added that it opened a brand new world for them because it permits them to not only perform errands, but also to go out and mingle with the community.

All of the buses are equipped with two-way radios which allow the drivers to pick up passengers on short notice and

create direct contact with the dispatcher.

Even though the buses are running to capacity and the fare is a low 50¢ per trip, experience has shown that it is cost ing about $4 per passenger to perform this service. In LBPTC's opinion, th

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Page 12 PASSENGER TRANSPORT October 22, 1976

marin county group plans special service

SAN RAFAEL, CALIF. — A planning program to develop methods to meet the transportation needs of the elderly and handicapped in Marin County was held Oct. 15 with the first meeting of a steering committee composed of representatives of participating agencies.

Participants in the project, according to Dale W. Luehring, general manager of the Golden Gate Bridge, Highway and Transportation District, are the Metropolitan Transportation Commission, Marin County Superintendent of Schools, Marin County Transit District, Marin Senior Coordinating Council and the Volunteer Bureau of Marin, in addition to Golden Gate, which is the lead agency.

The planning effort will develop a plan of transportation services designed to meet the specific needs of the elderly and handicapped. In developing the plan there will be an analysis of these special needs, including the kind and frequency of service required, trip purposes and origins and destinations.

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los angeles orders buses for disabled

LOS ANGELES, CALIF.— The Southern California Rapid Transit District Board of Directors has approved the purchase of 200 lift-equipped buses to accommodate the public transportation needs of an estimated 350,000 disabled people in Los Angeles County.

The purchase is from AM General. Purchase price for the buses is $16.1 million. Delivery of the first bus is expected in about seven months from the start of construction in January 1977. The entire lot of 200 buses is expected two months later.

The buses will be equipped with doors 32.5 inches wide between the grab-bars. They will kneel at stops, lower the lift to the curb or the street level below the curb and the wheelchair passenger will roll onto the lift. The operator retracts the lift when the passenger is securely aboard.

Board President Byron E. Cook said the board's authorization of the purchase was consistent with an October 1974 resolution requiring new buses to be accessible to the elderly and the handicapped.

General Manager Jack R. Gilstrap said the purchase should be viewed as a step forward in achieving accessibility for the entire elderly and handicapped population.

NEW SERVICE STARTS for the elderly as a Metropolitan Atlanta Rapid Transit Authority E-Bus picks up passengers on the first day of operations at a high rise housing project for senior citizens. MARTA board members Dr. Joseph Lowery, (second from left), Fred P. Meyer (second from right) and Mrs. Cosby Spear, a member of the MARTA Elderly and Handicapped Program Advisory Committee, (third from left), welcome patrons and tell them how to use the new service.

Applies for Grant

In other actions, the board authorized the district staff to file a grant application to UMTA covering the purchase of land and for the construction of a maintenance and operating facility.

The $1.4 million purchase will include 18 acres and an adjacent 17 1/2 acres if UMTA approves an SCRTD loan application. Under the terms of the loan for purchase of the adjacent parcel, SCRTD has up to 10 years to convert the loan to a capital grant application.

Ridership checks and farebox revenues indicate that SCRTD bus ridership has almost returned to pre-strike levels.

"We are pleased the riders are returning to public transportation following the 36-day work stoppage," Cook said.

Cook noted that prior to the walkout in August, district buses had been carrying approximately 750,000 revenue passengers a day.

"Our figures for the first full week in October indicate an average of 730,000 per day – less than 3% below the August figure," Cook said. "We had thought, as was the case following the 1974 strike, that it would be several months before the ridership returned to pre-strike levels."

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10-29-76, p. 4

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elderly and handicapped

puerto rico responds to its citizens

By
Juan B. Ramos Velilla
President and General Manager
Metropolitan Bus Authority

HATO REY, P.R.—The Metropolitan Bus Authority established half-fare service for the elderly and handicapped, not only during off-peak hours, but for full-time operation during August 1975. MBA so far, has issued 3000 identification cards to the aged and disabled with an average of 50,000 passenger trips per month or 600,000 trips per year and a projection of one million per year in the near future.

During a recent press conference, we discussed with the public the progress being made in the area of serving transportation needs for the elderly and handicapped who cannot use regular transportation.

We explained that a citizens committee had been formed consisting of representatives of Disabled American Veterans, paralyzed veterans, disabled private citizens, doctors in the field of physical medicine and rehabilitation, government personnel in the rehabilitation field and authority representatives. This committee will conduct a survey with the help of the news media in order to obtain the names and addresses of people interested in using the authority's services.

A coupon will be published in all the newspapers to be filled out and sent to the MBA. Once the information is obtained, the MBA will send a questionnaire to these people so it can learn about the nature of their disability and plan bus service to meet their needs.

The MBA will determine the amount of vehicles to be acquired and the areas to be served from the information gathered.

We are also planning a dial-a-ride service with vehicles equipped with lifts to meet the needs of wheelchair users and other handicapped persons.

The press conference was very successful with every television, radio and news media present and full coverage given to the conference.

The reporters and news commentators also interviewed citizens on their reactions to the MBA plans.

The reaction of the people has been tremendous. The authority's Public Relations Department has received numerous calls congratulating the MBA on its presentation of a plan with the help of UMTA to aid the handicapped people that cannot use regular transportation service.

PLANS FOR SPECIAL demand-responsive services for the handicapped to start in Hato Rey, P.R., are explained by Metropolitan Bus Authority President and General Manager Juan B. Ramos Velilla, second from right . . .

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Bi-State to lower elderly and handicapped fares

St. Louis, Mo. The Bi-State Development Agency has announced that it will lower its basic fare to 10¢ for senior citizens and all physically and mentally handicapped persons beginning Oct. 25.

At present, senior citizens and blind persons possessing Bi-State identification cards may ride for 15¢ at all times on the two-state area. Under the new program, senior citizens and all persons with mental or physical handicaps who have Bi-State identification cards will pay only 10¢ per ride except during peak hours Monday through Friday when the charge will be 15¢. There will be no transfer or zone charges at any time. The reduced fares will apply to all regular Bi-State lines but not to such special services as express lines.

Executive Director Robert J. Baer emphasized that senior-citizen and blind identification cards now in circulation will remain valid under the expanded program. New applicants will be issued a standardized reduced transit fare ID card when they have completed an application and received certification from any of more than 100 area health or social service agencies.

"Present card-holders do not need re-certification or new cards," Baer said. "However, new applicants will have to pay the regular fare of 25¢ until their new ID is received." Bi-State will require approximately two weeks from the time of receipt to process applications.

To qualify for the reduced-fare identification card, handicapped persons should bring to a certifying agency a statement from a health or social service agency or their doctor. They also may qualify through a participating agency by providing information about their disability.

Persons 65 years of age or older need present a birth certificate, baptismal certificate, driver's license, marriage license, insurance policy, military service paper, citizenship paper, passport or other official document as proof of age. State regulations do not permit the use of Medicare or Social Security cards as proof of age.

Ongoing Program

"This new reduced-fare program," Baer said, "is part of our ongoing coordinated effort at Bi-State to meet the transit needs and increase the mobility of elderly and handicapped persons in the metropolitan St. Louis area. We recognize that these people are especially dependent on public transit and we are anxious to provide our services to them as inexpensively and efficiently as we possibly can."

He added that later this year signs will be posted on all Bi-State buses requesting that elderly or handicapped passengers be allowed to enter specific doors near the front door. Baer also noted that the St. Louis County Council has given its formal approval to a pilot demand-responsive bus service to be operated by Bi-State and funded by county transportation tax revenues, utilizing vans specially equipped with lower steps and wheelchair lifts to provide door-to-door service for the elderly and handicapped.

"In addition," Baer said, "Bi-State has recently been awarded a grant to purchase 14 vans especially equipped for elderly and handicapped persons for use throughout our service area."

"We are doing everything possible to have these vans in service in early 1977 which should improve public transportation opportunities for the elderly and handicapped," he said.

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new buses for senior service arrive in austin

AUSTIN, TEX. – The first of 92 buses to provide transportation for elderly and handicapped persons in 37 Texas communities went on public display recently at an open house sponsored by a local senior citizens center.

The State Department of Highways and Public Transportation ordered the buses as part of an UMTA capital assistance grant.

UMTA allotted $932,000 in grants for Texas projects in the 1975 program. Agreements provide for 80% UMTA financing and 20% from local sources. No state money is involved, although DHT has been named by the governor to administer the program.

Meanwhile applications are being received for the 1976 program, but no grants have received final approval so far. UMTA has allotted just over $1 million for the Texas program in 1976-77.

Grantee agencies are local nonprofit corporations and associations organized to provide services meeting the special transportation needs of elderly and handicapped persons.

The department expects delivery of about a dozen additional buses within the next few weeks and all are to be delivered by the end of November. Delivery will be made to department district offices for mechanical checkouts after installation of air conditioning at Dallas.

Some 40 applications were approved initially, but three proposed operating agencies withdrew from the program and funds allocated for their use were redistributed among four of the remaining 37 agencies. Recently the El Paso chapter of the American Red Cross, which had ordered seven buses, asked to be relieved of its participation in the program. No successor has been named so far.

Service must be provided in a recognized urban area having a population of 5000 or more. It may be extended to adjacent rural areas as long as the origin and/or destination of the service is in an urban area.

The original purchase through low bids administered by the State Board of Control provided for 84 10-to-16-passenger vans and one 17-to-24-passenger school bus, all to cost approximately $885,000–not including the cost of mobile radios and base stations. Most of the vehicles will be equipped with hydraulic lifts for the physically handicapped.

Bids have been received and eight additional vans are to be purchased with auxiliary equipment. Delivery is expected in about five months.

Title to equipment purchased under the UMTA grants remains with DHT and all costs of insurance, maintenance and operation are paid by the local organizations.

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elderly and handicapped

offering new rural services

By
Ben Baker
Administrator
Southeastern Regional Transit Authority

NEW BEDFORD, MASS.- One of the pioneers in services for the elderly and handicapped has been the Southeastern Regional Transit Authority of New Bedford and Fall River, Mass.

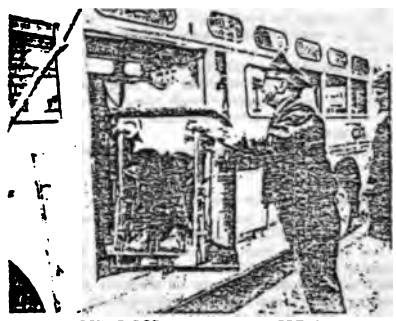
Beginning with a reduced fare program as far back as 1974, SRTA's newest addition, since Jan. 6, is the wheelchair bus.

At the cost of $10,000 each two older buses were retrofitted to accommodate wheelchairs. A hydraulic lift raises the chair from curb to bus floor through a side opening. The driver straps the chair into place and proceeds to a specified designation.

The service which is "better than a taxi" according to one user, is offered on a 48-hour advanced reservation system at the regular fare of 60¢ per zone which becomes half price during non-peak hours for holders of a handicapped discount card. For senior citizens the service is free.

The wheelchair bus service was an idea that could be realized because of the National Mass Transportation Act of 1974 under

(See elderly and handicapped, page 8)



THE FIRST RIDER is lifted onto SRTA's special wheelchair bus.

Passenger Transport, November 12, 1976, pp. 1 & 8; Vol. 34, No. 46.

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elderly and handicapped

(From page 1)

which 50% of the SRTA annual deficit is funded.

Two years ago the Southeastern Regional Planning Commission did a special needs assessment and came up with the two-bus proposal one specially equipped bus to serve each of the two cities under the authority.

SRTA promoted the wheelchair bus along with its entire program for the handicapped through newspaper ads, bus cards and in its rider's kit, a free information package available to every resident.

A typical week's scheduling sheet shows that the users go to grocery stores, shopping malls, doctor's offices, clinics and private homes.

The chief users of the new buses are residents of Highland Heights in Fall River, a brand new high rise apartment complex specifically designed for the handicapped.

The wheelchair buses are only one part, the starring attraction so to speak, of SRTA's overall special service program which includes reduced fares for all physically and mentally handicapped and special programs coordinated with several local agencies serving the handicapped. Under one such program SRTA provides over 100 rides each week on special buses to persons traveling back and forth to the sheltered workshops run by the Massachusetts Rehabilitation Commission.

The free bus service for senior citizens in the New Bedford and Fall River area has had a spiral effect on the overall services provided for seniors in these communities.

The history of the SRTA program for the elderly dates back to 1972 when the city of New Bedford started a half fare policy during non-peak hours.

SRTA assumed provision of the transit system on July 1, 1974 and picked up the senior half fare program.

With the transportation act and additional federal funding it provided, SRTA made the individual riders the direct beneficiaries with a totally free service policy.

In January 1974 SRTA set up a system with two local councils on aging whereby they would issue an ID to those 59 and older.

To date, over 44,000 senior citizens have these ID's and use them. One council official estimates that over 85% of those eligible now have ID cards.

From an operational point of view the buses are now running much closer to capacity on all runs. Thirty-five thousand ID holders ride the bus weekly or 50% of the total ridership.

In March 1975 three months after the free fare program, the Star Store, New Bedford's largest downtown department store, started Senior Citizen Day every Tuesday, a notoriously dead sales day.

Using the same ID, seniors were eligible for an across-the-board 10% discount on all purchases.

Now a year and a half later, Richard Reilly, general manager of the store, views it as "the biggest single thing we ever did." Not only did overall sales increase, Tuesday's business rose some 25% with senior ID holders accounting for a quarter to a third of it.

Reilly also observed that people were coming in increasing numbers from the outlying communities also served by SRTA.

Shortly thereafter the Harbor Mall shopping center in Fall River instituted senior citizen discount day and the ID although initially set up for bus riders is now used by many local businesses to give seniors discounts on purchases and on tickets to events.

The ID may become universal. In the past few weeks New Bedford senior citizens said they had been able to use their IDs to ride free on the Boston transit system.

Thomas Stapleton, the executive director of the Fall River council on aging, commented on the overall success of the program. "The 60¢ or 70¢ a senior citizen saves on transportation can buy him a pound of hamburger."

The New Bedford-Fall River area has a higher than average proportion of senior citizens: roughly 25%.

These average lower middle class working people have both a strong sense of home and a limited income that prevents them from moving to retirement areas. So they stay in New Bedford and Fall River.

Stapleton further explained that the free service provided a tremendous morale booster for the elderly. For the first time an elderly citizen has a real freedom of transportation. Not only can he go shopping when he pleases, but if the day grows lonely, he can board a bus and simply take a ride.

Passenger Transport, November 12, 1976, pp. 1 & 8; Vol. 34, No. 46.

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forum's theme is transportation disadvantaged

ARLINGTON, VA. —The National Council for the Transportation Disadvantaged has announed plans for its second annual conference, Dec. 13-15 in Arlington, Va.

The conference theme is "Serving The Transportation Disadvantaged: What's Happening Now?" and will focus attention on a range of solutions to transportation problems.

"This is a natural follow-up to last year's conference. There we identified a full range of problems and needs. This year we will focus on the growing number of success stories," said John O. Salveson, executive director of NCTD.

NCTD is a forum whose purpose is to bring together all elements of transportation to promote better understanding of the problems of the transportation disadvantaged and to communicate various approaches to solving these problems.

Membership includes public and private operators of transportation services, users and advocates, federal, state, county and local government officials, equipment manufacturers, consultants, academicians and people who share a common concern for improving public transportation service, Salveson said.

The conference will include major speakers, but will focus on a workshop format, according to Salveson. Special features will include a tour and ride on the newly opened Washington, D.C. Metro.

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wichita provides special half-fare all day

WICHITA, KAN. – In responding to the needs of elderly and handicapped citizens in this area, the city of Wichita and the Metropolitan Transit Authority have exceeded federal requirements by providing both groups with half-fare bus service not only during off-peak hours, but during the entire operating day, according to local transit officials.

MTA Executive Director Paul F. McGinnis said that the program, which has been in effect since early 1974, is "quite popular. We estimate that during this year, over 306,000 passenger trips will be made by eligible persons paying the reduced fare."

The figure represents 15% of all trips made on Wichita area buses and will require a subsidy of nearly $160,000 to support the program.

Extensive Analysis

According to McGinnis the staff of the Wichita-Sedgwick County Metropolitan Area Planning Department has nearly completed an extensive analysis of the transportation needs of elderly and handicapped residents. "We hope that in increments over the coming decades, some modifications can be made and some of the necessary equipment purchased to accommodate the needs detailed in the study," McGinnis said.

The MAPD study has included several efforts to define the size, location and travel characteristics of both the elderly and handicapped people in Wichita.

One of the most valuable sources of information for the study, McGinnis said, was the 1976 intergovernmental enumeration, which is a survey of all households in the county.

For the first time the 1976 enumeration included a question identifying handicapped individuals in each household. To each such individual a special survey was distributed to be completed and then mailed back.

Respondents were asked to identify type of handicap, employment, difficulties in using the bus system and weekly trip-making characteristics.

Social Service Agencies

To acquire an additional source of data, the MAPD surveyed local social service agencies and adult care homes. A total of 62 agencies and homes completed this survey, in which administrators were asked to give the number of clients they served, the types of services provided (with a detailed description of any transportation service) and an assessment of the need for additional service.

Through a study of the data generated, Wichita transit officials hope to be able to determine "the number and location of elderly and handicapped Wichitans, their travel needs, the existing transportation services for these groups, the extent to which these services can be coordinated, special service requirements, special equipment requirements and potential sources of funds to provide such improvements," McGinnis said.

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elderly and handicapped

planning and budgeting dial-a-bus

By
Fred Dyer
General Manager
Lane Transit District

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EUGENE, ORE. - On Dec. Lane Transit District will put six lift-equipped small buses on the streets of Eugene and Springfield, Ore. in a dial-a-bus service for handicapped and elderly.

The planning and budgeting that led to the start of this special service has been a shorter process than was ever expected. In 197 the transit system was too inadequate to handle much of any kind of response to the needs of handicapped and elderly.

The total capital assets of the district amounted to about $16,000.; the mechanics used their own tools; we were about to lose our insurance; the system seemed like it was falling apart. Dial-a-bus was seen as something way down the road.

But much has happened between 1971 when the district's first efforts to acknowledge the needs of special populations consisted of identifying residential concentrations of senior citizens and assuring that fixed route service traversed those areas and 1976, when LTD implemented a four-zone, many-to-few demand response system with specialized vehicles.

In those five years Lane Transit has experienced growth patterns that not the most liberal thinkers had expected. Just two years after the meager beginnings statistics show TD is a leader in the nation in percentage of ridership increase. Ridership figures had doubled and would do so again.

In 1972 LTD acquired 21 used diesel buses from southern California and 22 newly manufactured buses. That year a wheelchair-bound member of the District's Citizen's Advisory Committee called the Board of Directors to equalize transportation opportunities for Lane County residents by retrofitting all of the existing fleet with lifts.

Unable to comply with such a far-reaching request, the board did authorize staff members to take two actions which eventually proved to be the foundation for the district's dial-a-bus service.

The first action was the inclusion of at least one lift equipped vehicle in LTD's second capital grant application to UMTA; the second was the commission of a study of the needs of elderly and the handicapped for transportation within the transit service area.

Study Results

Results of the study were presented to the board in March 1974. The study reported that "many barriers can be alleviated or eliminated through available technology, but lifts as currently designed in 1974 do not meet study-established standards for safety and security to the user

"Lifts installed on all the existing fleet would make the vehicles accessible for small percentage of the target population. continued the study, . but the variety and incidence of disabilities dictates variety of design solutions."

The study was adopted by the board as a policy guideline for future planning. An UMTA Section 9 grant enabled LTD to hire staff planner to draft an operational description for the specialized service and to supervise research efforts to develop lift device which would meet local safety standards.

By fall 1975, the service description was complete. The original needs assessment study had involved intensive interaction with over 60 social service agencies and individual professionals. In January 1975, the LTD study was cited as one of "the most extensive" descriptions available of the existing transportation situation of elderly and handicapped in local area.

This process of methodical contact with local agencies and advocates was repeated in the service planning to compile information about specific destinations to serve, hours of operation, fares and methods of determining eligibility. The list of 27 destinations was reviewed and revised several times.

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The original planning for one lift-equipped vehicle, which had grown to four in the needs assessment study, had now become six: one to operate in each of four zones, a fifth to operate as a illuster and a sixth to be held in reserve as a spare.

Even with six vehicles, we're trying to do too much with too little. A comprehensive survey completed in 1974 indicates that 34,000 people are potentially eligible to use the special service.

After reviewing UMTA guidelines defining transit dysfunctions, LTD decided to delegate the responsibility for determining who is handicapped. We're not health professionals and if there is going to be an eligibility criterion, then health professionals or trained individuals should be the ones to apply it.

Potential riders now establish their eligibility by applying to any one of 17 social service agencies, to their personal physician, or by calling a specially trained RSVP volunteer who can visit the home. Identification cards are issued to the certified individual, designating the recipient as either senior or handicapped and noting whether or not the rider requires an attendant who may accompany the rider free of charge.

Writing specifications for the vehicles was somewhat difficult because of a lack of literature on the subject and because of a lack of experienced vendors. LTD determined to eliminate the lift device from vehicle specifications and conduct a separate bid for the lift.

Union Negotiations

Anticipating the possibility of confusion over the need for a special selection procedure for drivers, negotiation with the union began early. A complete proposal was submitted to the union, modifications made and an agreement reached. The union steward was a member of the driver selection committee and this had a very positive impact on the process.

A one-week training program, in an informal setting away from the transit property, was designed for the driver trainees. They met with members of the target population, viewed audio-visual presentations about the service and the disabilities of potential users, had sessions with physical therapists and special education instructors and role-played dozens of potential situations.

An early decision was made to forego an expensive and possibly wasteful advertising campaign and rely on other, more direct means of marketing the new service. A complete and colorful brochure was distributed through the district's more than 100 timetable racks. Posters were placed in senior centers, libraries, social service agencies, accessible shopping centers and work places, the local university and community college, as well as the specific 27 destinations to which the service would travel.

Since LTD was already using audio-visual presentations as part of a personal contact marketing program called the First Step, a new presentation was prepared describing all the steps involved in arranging for dial-a-bus service. The district's service representative and a student intern from the University of Oregon visited groups of potential users and presented the information. Because of the potentially complex nature of the service, the spontaneity and immediacy of the personal contact approach was preferable to mass advertising.

Close contact was maintained throughout the planning process with the 17 agencies which would assume certifying responsibilities. These agencies certified their own clients and acted as agents for individuals who called them specifically to find out about the new transportation service.

Oppurtunities to introduce dial-a-bus through television and radio public service programming were sought and were considerably aided by the fact that the First Step slide presentation was a natural for television. Immediately prior to start-up, letters describing the service and its possible use to their clients and patients were mailed to all physicians and social service agencies in the county.

Dial-a-bus was originally scheduled to start in April 1976, but difficulties over radio procurement delayed it until the following December. Even then the service began without the two-way radios, operating instead on a subscription basis with drivers calling in on public telephones every two hours to monitor trip requests or possible cancellations.

I have had a personal interest in the application of demand response technologies to the needs of the elderly and handicapped since the time I served as Oregon's first DOT Mass Transit Division administrator and watched federal-level interest in the population group develop.

When the 1978 federal deadline arrives, requiring transit properties to either retrofit all existing transit vehicles, or demonstrate that an alternative service exists which is equal or superior to fixed route service, LTD's many-to-few dial-a-bus service will definitely qualify as that alternative.

For handicapped individuals, fixed route service will always be a many-to-few service. Only a percentage of the handicapped individuals served with dial-a-bus can actually get to the fixed route bus stop and then tolerate the wait required.

Specialized services can be designed to pick up passengers in front of the home, eliminating the travel to a bus stop and the waiting necessary for a vehicle operating on a fixed schedule.

Copies of LTD's dial-a-bus service plan and the original needs assessment study can be obtained by writing to Lane Transit District, P.O. Box 2710, Eugene, Oregon, 97402.

Passenger Transport, December 3, 1976, pp. 3 & 4; Vol. 34, No. 49.

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elderly and handicapped

By
Leonard Ronis
General Manager
Greater Cleveland Regional
Transit Authority

providing mobility to those without

CLEVELAND, OHIO—From the very beginning of its operations in October 1975, the Greater Cleveland Regional Transit Authority has made every effort to recognize and then to satisfy the special needs of elderly and handicapped persons throughout Cuyahoga County. In fact since RTA's inception, scarcely a month has passed without there being a major newsworthy development in this area of RTA operations.

One might even argue that a fundamental concern for the needs of the elderly and handicapped transit user- who was frequently reduced to the position of potential transit user—predates and was built into RTA at its creation. The various agreements and memoranda of understanding among city, county and suburban officials which resulted in the authority's creation, provided, in fairly general terms, for a fare reduction for the elderly and handicapped and for a community responsive transit program.

Rather than viewing such provisions as burdensome obligations, the RTA Board of Trustees, as well as the staff, saw them as go ahead signs. Indeed a great deal more has been done to serve the elderly and handicapped than is mandated either by the legislation which created the Greater Cleveland Regional Transit Authority or by federal government requirements.

Conceptually the easiest way to examine what the RTA has done to serve the specialized transit needs of the elderly and handicapped is to look first at line-haul and then at auxiliary transit operations. In the realm of regularly scheduled transit service -which in greater Cleveland includes bus as well as light and heavy rail operations- the most noteworthy boost given to senior citizens and handicapped persons is a free fare at all times other than during weekday rush hours (when they are required to pay half fare). In order to qualify for these reduced fares, a passenger must present either a senior citizen card which certifies that the holder is at least 65 years of age or a handicapped ID card which is issued to those persons who are certified by a physician or certified health care agency as being handicapped.

Handicapped Definition

RTA's present definition of the handicapped transit user, for reduced fare purposes, was developed by a special task force, formed shortly after the authority began operations. The task force was broadly based, numbering among its members several handicapped persons and persons in the health care professions. The RTA definition of the handicapped transit user includes a wide range of impairments and is much less restrictive than the definition which RTA inherited from its predecessor, the Cleveland Transit System.

More than 2700 handicapped persons have signed up for ID cards since the new definition was adopted. This compares with the approximately 400 passes issued under the former definition.

To make it easier for senior citizens and handicapped persons to obtain RTA identification cards, there are two teams of transit authority personnel who handle registration. One is assigned permanently to the RTA main office. The other team travels around the county on a full-time basis, with locations preannounced in local newspapers. Both teams process applications and issue ID cards. Registration for senior citizen ID cards has topped the 40,000 mark.

Another way in which RTA attempts to serve elderly and handicapped passengers on the line-haul service is that certain seats on all buses and rapid transit cars in the RTA fleet have been designated priority seating for these persons. Easy-to-read decals placed along the bottom of the windows above these seats identify priority seating.

The results of these accommodations have been great. Senior citizen ridership, particularly during the off-peak hours, has increased over 250%. While there are clearly few, if any, farebox benefits to be reaped from this increase, the RTA is tremendously gratified to be able to play a small part in improving the mobility of a segment of the population for which mobility has traditionally posed a major problem.

If inability is a problem for elderly and handicapped persons, then the access to mobility is an even more fundamental problem. Historically there is no denying that, for a variety of reasons, large numbers of people have been unable to utilize public transportation in the form of conventional buses and rapid transit vehicles. In addition to the obvious barriers, such as the inability of a wheelchair patient to board a bus, there are a host of others. For many elderly persons, especially in inner-city neighborhoods where crime rates are high, the walk to a bus stop can be a perilous trip.

Passenger Transport, December 10, 1976, pp. 4 & 8; Vol. 34, No. 50.
(continued on following page)

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CRT Program

In an effort to overcome such barriers as these, the RTA has developed its Community Responsive Transit program. A basic CRT policy statement, adopted by the RTA Board of Trustees in January, addresses itself to many crucial considerations such as budget, level of service, the use of contracted taxicab service and coordination with other agencies providing similar transportation.

At the present time CRT is operating with a $1 million annual budget. Service is provided at no charge to passengers. Cuyahoga County has been divided into 14 neighborhood CRT service areas. By Nov. 1 there was Community Responsive Transit in 10 of these areas. Expansion into the remainder of the county will take place early in 1977.

Parts of the three original CRT service areas were those served previously by the City of Cleveland's federally-funded Neighborhood Elderly Transit demonstration project. Portions of two of the suburban service areas were served previously by a special Cuyahoga County demonstration dial-a-bus program. The present CRT fleet consists of the 14 former NET vehicles (two of which are equipped with wheelchair lifts) and the five vehicles from the former county program (two of which are equipped with lifts). The purchase of an additional 30 CRT vehicles (half with wheelchair lifts) is included in a $124 million capital grant application which RTA has submitted to UMTA.

In less populous sections of the county, contracted taxicab service is being used to provide CRT. The Yellow Cab Limousine Company, which has been awarded the contract, owns three small buses with wheelchair lifts which complement standard Checker taxicabs. By the terms of an agreement with Local 268 of the Amalgamated Transit Union, one-third of the CRT service in Cuyahoga County is to be provided by contract service.

In order to be able to map out the best possible plan for paratransit in the greater Cleveland area, RTA is attempting to coordinate its programs with all local agencies, such as the Red Cross, which require this type of service.

Efficiency has also been an extremely important consideration in the continuing development of CRT. In order to utilize equipment and personnel most efficiently, for example, CRT requires a 24-hour advance reservation.

In operating CRT the comfort and convenience of passengers have been of primary concern. The service operates Monday through Friday during the off-peak hours of 9 a.m. to 5 p.m. and on Sundays between 8:30 a.m. and 3 p.m. (in order to meet the needs of passengers attending church). All CRT operators have received special sensitivity training in addition to the regular operator training course.

CRT ridership has climbed steadily. In June, for example, there were 3150 CRT rides. The October figure was 11,824. Feedback from customers has been excellent.

Currently in the planning stages, with implementation planned for spring 1977, is a county-wide CRT program for the transportation of severely handicapped persons—particularly those confined to wheelchairs—to school, to work and to training centers. This would be a rush-hour service and would not be confined to a customer's particular neighborhood service area.

Because providing paratransit services such as CRT is so new to RTA, we have not for a moment fancied ourselves to be experts in the field. Counsel has been sought from the beginning, often from precisely those people who are the utilizers of CRT. A CRT Advisory Committee was established several months before the program began operating. Moreover a special study group on community responsive transit in the greater Cleveland area was conducted by 17 students in the Harvard University Graduate School of Design.

The realization that mobility is a fundamental human need in our society underlies all that the Greater Cleveland Regional Transit Authority has done and will do in the future with regard to service for the elderly and handicapped residents of Cuyahoga County. We feel that it is incumbent upon us to do all we can to provide mobility for those segments of the population that have for so long been without it.

Passenger Transport, December 10, 1976, pp. 4 & 8; Vol. 34, No. 50.

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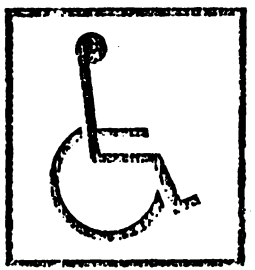
special transportation system started

ST. LOUIS, MO.— A new special transportation service for blind, elderly and physically handicapped persons in the St. Louis area is scheduled to begin within the next 90 days.

The service, to be operated by Real Independence Through Employment will use five specially equipped vans. All the vans are equipped with hydraulic lifts, wheelchair security clamps and special radio equipment.

The vans for this service were purchased under a special grant program for non-profit corporations, funded by UMTA which is providing 80% of the cost of the equipment. The grant program is administered by the Missouri DOT and is coordinated locally by the East-West Gateway Coordinating Council, the St. Louis area's council of governments.

RITE, a non-profit organization, started 21 years ago as an organization of blind people with the desire to help themselves and provide help to others with need. At present it is an 80-member organization with two-thirds of the membership with a blind handicap.



According to Darrell Lauer of RITE, the service will be operating in full force by the end of next year. Lauer is also a member of the Elderly and Handicapped Technical Advisory Committee co-sponsored by East-West Gateway Coordinating Council and the Bi-State Development Agency.

The vans will provide service door to door, said Lauer, primarily for employment trips but medical and social trips can be arranged. Cost will be 50¢ to $1 per trip.

Passenger Transport, December 10, 1976, p. 7; Vol. 34, No. 50.

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nashville adds new services for elderly/disabled

NASHVILLE, TENN.—Mayor Richard Fulton, transit officials and local residents celebrated Elderly and Handicapped Transportation Day in Nashville Dec. 6.

That day marked the beginning of expanded privileges for elderly and handicapped persons riding Metropolitan Transit Authority buses.

Senior citizens and the handicapped are now permitted to ride any MTA bus, any time, any day, for a 25¢ reduction in fare.

"These are honored citizens in our community," Mayor Fulton said, "and as such it gives me a great deal of pleasure to make this announcement. Many of these people are on fixed incomes and helping them in this way is a privilege of the city-owned transit system."

To ride on the reduced fare, anyone 65 years of age or older simply shows their Medicare card or MTA Golden Age card; in the case of the handicapped, they

(See fares cut, page 8)

DISCUSSING NEW PROGRAMS designed to help facilitate ridership by the elderly and handicapped in Nashville, Tenn. are, from left: John T. Butler, executive director of the Governor's Committee on Handicapped; H. John Whyte, president of the Senior Citizen's Council; Mayor Richard Fulton; and James H. Harris III, secretary to the Metropolitan Transit Authority.

fares cut in nashville for aged, disabled

(From page 1)

show their MTA Special Service card and then deposit 10¢ in place of the regular 35¢ fare.

"The MTA began a program of reduced fares more than two years ago but riding was restricted to off-peak hours," said Ralph H. Hines, MTA chairman. "This new action by the MTA lifts these restrictions, permitting riding for the reduced fares at all hours, giving greater mobility to those who have special needs.

"Additionally, we have posted decals on all MTA buses requesting priority seating, at the front of the bus, be reserved for all elderly and handicapped persons," Hines said.

Passenger Transport, December 10, 1976, pp. 1 & 8; Vol. 34, No. 50.

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special needs project given a 'lift'

By
Dennis Chapman
Special Transportation Coordinator
Tri-County Metropolitan Transportation District

PORTLAND, ORE. Operation for the "Lift," the Tri-County Metropolitan Transportation District's new service for thousands of area residents who have been unable to use public transportation because of their physical limitations, started recently.

This Special Needs Transportation Project is a demonstration program financed by Tri-Met and the UMTA Office of Service and Methods Demonstrations, exclusively for the elderly and handicapped in an urban area the size of Portland. It is one part of a six-part Tri-Met program designed to meet the travel and information needs of elderly and mobility restricted residents of the greater Portland area. The Lift service is intended to provide a basic level of service to those who are physically or mentally unable to use the regular transit system and who do not have access to or cannot afford alternate means of private transportation.

A secondary purpose of the Lift is to test the feasibility of collecting fares through the use of an automatic farebox and to develop a computerized billing system for social service agencies whose clients will use the special needs service.

Social service public agencies, as well as private nonprofit organizations, are involved in the special needs project through contracts for services with Tri-Met.

How It Works

In general, the Lift service emphasizes prescheduled (repeat) trips for the first three months, with gradual introduction of current service (ride requests on short notice). Service during the first months will be available only to passengers connected with public agencies or organizations which have contracted with Tri-Met for the Lift service.

After this initial break-in period, passengers independent of any agency or organization will become eligible for the service.

The Lift will be curb-to-curb service. Drivers will assist passengers onto the buses and off again at their destinations. All drivers will be trained in the operation of the wheelchair lift, as well as emergency first aid.

The 15 vehicles to be used are specially equipped with wheelchair lifts and tiedowns as well as a retractable lower step. The buses have been modified for maximum safety with fish-eye lenses and electric retarders.

Some 12 of the vehicles accommodate 10 passengers as well as placements for two wheelchairs; three of the vehicles have been modified to accommodate six passengers and four wheelchairs.

What It Costs

The charge for a one-way trip is $3. This cost will be shared by Tri-Met, the public agency or private organization contracting with Tri-Met for service and the passenger. The special needs program will carry three types of passengers:

- agency sponsored passengers who are sponsored by a public agency or for-profit organization which has agreed to a contract with Tri-Met; rides taken by agency-sponsored passengers will be billed directly to the sponsoring public agency or organization at $3 per one-way trip—the target full cost per ride; no fare, cash or otherwise, will be required from the individual passenger;
- general passengers who are neither affiliated with an organization nor sponsored by a public agency. General passengers deposit a cash fare of 50¢ upon entry into the Lift vehicle and Tri-Met subsidizes the remaining cost; Tri-Met has budgeted more than a half a million dollars of its own resources for the special needs project over the three-year demonstration project; registration for general passengers will begin in the spring of 1977; and
- affiliated passengers who are connected with a nonprofit organization; as with agency sponsored passengers, the organization has also agreed to a contract with Tri-Met for the Lift service. Affiliated passengers deposit no cash fare and billings for rides taken by such passengers are sent to the organization with which the passenger is affiliated at $2 per ride; each organization would then be responsible for collecting from the

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passenger whatever portion of its billed cost per ride was been previously agreed upon between the organization and the passenger.

Tri-Met will contract with other service providers such as taxis and a private or nonprofit volunteer bus company for additional special transportation service. Trips will be provided by these services when their use will result in greater productivity use of small buses. These trips will be provided to all agencies, organizations and general passengers at the same cost as if provided by Tri-Met.

Who is Eligible

A critical element of the Lift service is the determination of who is eligible to use the service. According to a survey conducted by Tri-Met last spring, there are more than 19,000 persons within the City of Portland who are transportation disadvantaged; that is, they are unable to use the existing Tri-Met service and cannot afford private transportation. In light of the fact that the capacity of the Lift service will be 800-900 one-way trips per day, it is clear that the potential demand far exceeds the available capacity.

In an attempt to solve this problem eligibility (registration) criteria have been established and a ride prioritization system formula devised.

In essence getting a ride is a two-step process. First the individual must be eligible and register for the service; and second the system capacity must be available at the time the individual wants transportation.

Eligibility will be limited to those mobility disadvantaged persons who are physically or mentally unable to use the regular transit system and cannot use an automobile or afford private transportation. To be eligible individuals would have to be unable to perform functions such as: unable to get on or off a regular public transit bus; to walk from home to the nearest bus stop; to wait standing for more than 10 minutes; to move in crowds; to read information signs; to grasp coins, tickets or handles; to understand and follow transit directions; or unable to utilize a regular public transit bus in the performance of life-sustaining activities.

Trip Priorities

The second step in getting service is the prioritization of available rides. A number of factors—including need and operational productivity—are considered in determining trip priorities. Trip purposes are ranked by need with medical and health trips as the top priority and social and recreational travel a lesser priority. Other trip purposes in the priority scheme are trips for work and school, shopping, personal business and loneliness.

Productivity will also be a major consideration in assigning trips. For instance trips taking many passengers to the same facility have priority over a long trip by a single individual to a dispersed destination.

Each eligible individual will be given a special needs bus pass by the contracting agency. That agency has the responsibility of screening passengers and certifying them as eligible.

During the first three months of the Lift service, each passenger will dispose his or her bus pass to the driver upon entering the vehicle. After this initial period, however, automatic fareboxes will be installed on all Lift vehicles and passengers will insert their passes into a slot in the automatic farebox. The automatic farebox will record the bus pass number and other data on a cassette tape; at the end of each day, the information on the cassettes will be fed into a computer and stored.

Each month computer-printed bills will be sent to agencies and organizations reflecting the number of rides taken and the dates of each ride taken by each agency-sponsored or affiliated passenger that particular month.

To ensure adequate citizen input in the design and implementation of the Lift service, a Citizens Advisory Committee was appointed by Tri-Met General Manager Tom Craig and has met regularly since Aug. 16, 1976. Members of the committee include the handicapped and elderly and were recommended by local agencies, organizations and individuals.

The duties of the Citizens' Advisory Committee are to review, monitor and elaborate the design and operation of the demonstration project and to advise the general manager on the future special needs transportation in the Portland area.

THE LIFT BUS program developed and put in service recently by the Tri-County Metropolitan Transportation District of Oregon, using specially equipped small buses like this one, is part of a federally funded demonstration grant program.

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offering customers accessibility

By
Robert J. Baer
Executive Director
Bi-State Development Agency

ST. LOUIS, MO.—In St. Louis, as in virtually every other city, action is long overdue in meeting the transit needs of the handicapped. Discussion, operational fears, absence of a data base, a vague national direction, resistance to change, lack of resources, seemingly endless studies and self-perpetuating committees have actually retarded efforts to deal effectively with problems of transportation for disabled persons.

In an effort to break this cycle, the Bi-State Development Agency, which operates the regional transit system in the St. Louis metropolitan area, has developed an ambitious, one-year pilot program which involves the introduction of mass-produced, fully-accessible buses on fixed routes, supplemented by feeder demand-response and neighborhood circulator lines.

Beginning in April, 60 wheelchair lift-equipped buses will enter service on 10 heavily traveled lines selected according to the areas they serve. A typical route operates between commercial and residential districts in the suburbs, a major mid-city medical complex and the downtown central business district. Routes which are assigned totally accessible vehicles will be specifically identified in public timetables and buses themselves will be plainly marked on the rear and passenger sides. In off-peak hours, some of the lines will be operated exclusively with the wheelchair buses, while frequency may be reduced to every second or third trip during rush hours. In some cases, lines have been rerouted to serve areas better where known concentrations of elderly and handicapped persons exist.

Bi-State is presently taking delivery of 111 transit buses equipped, like the totally accessible buses, with a kneeling feature and incorporating wider doors and an overall structure suited for the subsequent installation of wheelchair lifts and other equipment similar to that available on the totally accessible vehicles. All buses purchased by Bi-State in the future will be equipped, at the minimum, with the kneeling device.

In the meantime Bi-State maintenance personnel have nearly completed the retrofitting of a standard bus with a hydraulic lift, wider door and wheelchair securement stall. This modified vehicle will be used in the pilot program so that we can evaluate its effectiveness as well as the relative difficulty and cost of conversion. Based on our findings retrofitting of additional buses may be undertaken.

In late spring and summer Bi-State will initiate demand-response service in at least four locations using small vans equipped with wheelchair lifts. The vans will provide eligible passengers with primary door-to-door transportation in addition to access from their homes to regular bus stops where, depending on their individual needs, they will be able to transfer to either conventional or wheelchair buses. This highly specialized service will be complemented by six neighborhood circulators routes located in heavily populated suburban areas for use primarily as shopper and feeder lines.

These innovative programs are only a portion of the 10-point plan announced by Bi-State last summer to provide better public transportation for elderly and handicapped citizens. A great deal of homework has been involved in preparing the community, Bi-State personnel and the people who will benefit directly from the service as riders for the changes necessitated by the plan. A key component of the proposal was a further reduction of the special low fares previously enjoyed by elderly and blind passengers and extension of those fares to all physically and mentally handicapped persons.

An extensive public information campaign was undertaken to acquaint all eligible persons with the program and the necessary

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steps for obtaining a special identification card. More than 60,000 application forms were distributed throughout the service area with the help of some 200 social service agencies. In addition to those persons already holding reduced-fare transit cards, nearly 7000 new cards were placed in circulation during the first two months of the program. Emphasis has been on quick turn-around time, with cards returned to applicants the same day the application is received, in most cases.

In order to improve riding conditions for those persons using the elderly/handicapped identification cards, we have instituted a courtesy seating arrangement for our 900-bus fleet through which the seats located directly behind the operator are designated by signs requesting passengers to allow the elderly and handicapped to sit there.

Helping to administer the new program is Bi-State's newly appointed elderly/handicapped specialist who is herself handicapped and a delegate to the forthcoming White House Conference on Handicapped Individuals.

One difficulty encountered by the agency has been the lack of available information regarding the number, location and needs of handicapped persons in the area. As a result, a 29-member Elderly/Handicapped Advisory Committee was formed for the purpose of soliciting comments and suggestions from persons and groups familiar with the needs of these special riders. Additional information was gained by means of surveys distributed through various social service agencies and organizations as well as advertisements in daily and weekly newspapers. One section of the survey was designed to ascertain the transit service preferences of the respondents and initial returns are evenly split between those favoring wheelchair accessible buses operated on regular fixed routes and those who prefer door-to-door demand-response service.

Cooperative Efforts

While not responsible for the operations of various nonprofit groups (serving the elderly and handicapped) which are acquiring vehicles with federal assistance, Bi-State has had success in coordinating its efforts with some of these organizations in the Missouri-Illinois area. For example, several ideas being explored for further cooperative efforts include: possible sharing of driver or mechanic training; assistance in scheduling and route planning; joint development of compatible information pamphlets, timetables and maps; storage of vehicles; and general planning and technical assistance.

Other projects underway include a coordinated graphics program encompassing new-format timetables, bus-stop signs, a system map, fully accessible information centers and a special telephone number to assist elderly and handicapped riders in obtaining information. As part of initial and refresher training courses, bus operators are being instructed in the importance of understanding the operational features of the new buses as well as sensitivity to the needs of riders who will be attracted by the increased accessibility of the service. By 1980 it is estimated that 1200 passenger shelters will have been placed at key transfer points, heavy boarding stops, areas open to the elements and other locations suggested by passengers.

We believe Bi-State's program is ambitious and innovative. Although we have been actively involved in seeking answers and alternatives with regard to elderly/handicapped transportation for more than two years, and despite the fact that our management has sought to consider every aspect before embarking on the project, we do not claim to have all the answers. The possibility of failure when dealing with largely untested concepts is always present, but we have made a firm commitment.

Flexibility is the key word in our program. The ability to change routes, adjust schedules and respond to maintenance or operational considerations must be present if the program is to be put to a true test. Evaluation methods will be designed and objectively applied in assessing our programs. Use by the handicapped, cost, impact upon schedules, operating and maintenance factors, community reaction and similar aspects will be weighed in reaching conclusions with regard to the best approach to meet the mobility needs of handicapped persons. Evaluation is a catchword concept often discussed but too seldom put into practice. If we as an industry are to deal effectively with the issue of transporting the handicapped, we must do so on the basis of fact rather than out of fear of federal mandate.

Many other transit systems will undoubtedly have similar experiences and it is, therefore, vital that there be a candid and uninhibited pooling of information. *Passenger Transport* is an ideal forum for an exchange of information on this as well as other transit topics, but we must be careful to share our failures at the same time as we praise our successes. In this way benefits will accrue to everyone involved—transit properties, vehicle manufacturers, funding sources and, most important, our patrons.

By this time next year we should know if our coordinated approach is clarifying and meeting the unique needs of those to whom public transit has previously been "off-limits."

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By
Wade Lawson
Program Coordinator
Port Authority of Allegheny County

making a system accessible

PITTSBURGH, PA.—A legitimate opportunity exists for the transit industry to take a leadership role in delivering services specifically designed to increase the ability of handicapped and elderly persons to function in modern day society.

Accepting this challenge, the Port Authority of Allegheny County has initiated several innovative programs aimed at making the PATransit operating system wholly accessible to the elderly and handicapped. At present the focus of PAT's activities are concentrated on identifying elderly and handicapped persons within the PATransit service area and accumulating data on their specific transit needs.

Registration

Locating and subsequently registering persons who qualify for reduced fare transit passes are the most essential components of our overall elderly and handicapped study. Without this information transit planners and operators are unable to develop a comprehensive program to satisfy the specific transit needs of the elderly and handicapped.

For analytical and planning purposes, each person who applies for a reduced fare transit pass is requested to complete a questionnaire. The questionnaire will provide PAT with information on the individual's travel patterns, trip purpose, frequency of present and projected transit usage, accessibility to the existing system, availability of alternative travel modes, nature of disability if any and major origin and destination points. This information permits transit planners to identify specific service deficiencies and possible alternative service improvements.

Reduced transit fares currently are offered to elderly and handicapped persons. Elderly individuals, 65 years of age and older, qualify for free transit rides during off-peak hours and all day Saturday and Sunday. This particular program for the elderly was initiated in 1973 and to date has registered 125,000 persons for participation.

Handicapped persons with physical and mental limitations affecting their mobility are eligible to ride at half fare (during off-peak hours and all day Saturday and Sunday) contingent on possession of a medicare card, or certification of their disability by a physician or administrator of an authorized social service agency. This program has been operational since June 1975 and currently has 3800 persons receiving its benefits.

Passenger Transport, December 24, 1976, p. 6; Vol. 34, No. 52

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Social Service Agencies

The involvement of numerous social service agencies in the identification and registration of eligible handicapped persons continues to be a key ingredient in the overall development of PAT's handicapped and elderly program. Agencies were contacted prior to the study implementation to allow them an opportunity to express their views regarding specific transportation difficulties encountered by the handicapped. Additionally, the establishment of early communications with these organizations indicated that they were willing to assist PATransit in identifying and registering eligible handicapped persons. Currently 33 agencies participate in this program.

An inventory of transportation services provided by various social service and private carriers also has been compiled. This inventory summarizes the type of services provided, fare structure if applicable, number and type of vehicles utilized, location of specifically equipped vehicles, degree of patronage, annual program costs, primary service area and frequency of service.

The compilation of information relative to the availability of alternative transportation modes has provided PATransit with necessary data on the availability of these modes to the elderly and handicapped commuter.

Substantial revisions have been made to the existing PAT vehicles to increase the mobility of the elderly and handicapped. These include:

- 270 buses have been equipped with stanchions, interior and overhead handrails;
- two buses and one streetcar are equipped with 12-inch front and side headsigns, plus redesigned exterior step lighting; and
- one bus with kneeling device has been utilized on an experimental basis for the past year.

PAT also developed an on-going program to educate elderly and handicapped persons on the proper use of the transit system and the vehicles which have special accessability options designed to increase their mobility and riding comfort. This program includes instructions on how and where to catch a bus or streetcar, the proper manner to board a vehicle, the use of free and half-fare transit identification cards, proper passenger behavior while a vehicle is in motion and the availability of priority seating on vehicles. Information on how to use walking devices in conjunction with existing handrails, about the various vehicle sounds which indicate vehicle movement and directional changes (this element of the program is primarily oriented toward blind persons) and about familiarizing blind persons with vehicle interior and exterior design characteristics is also included in the program.

This program is available on request to any elderly and handicapped group or organization within the PATransit service area.

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In addition to educating the elderly and handicapped on vehicle usage, PATransit has embarked on a program to sensitize transit drivers to the transportation problems of the elderly and handicapped. The program familiarizes the driver, during driver training and orientation classes, with specific difficulties which the elderly and handicapped encounter whenever they attempt to use public transportation. These sensitivity sessions stress the need for the driver to understand that elderly and handicapped persons require more time to board and leave a transit vehicle than individuals without mobility limitations; special consideration when route destinations and fare structure (if applicable) are explained along with the importance of a driver exhibiting a high degree of professionalism and courtesy at all times.

The positive impact on these programs and vehicle revisions on overall transit ridership is reflected in the increased ridership from elderly and handicapped persons. Elderly and handicapped patronage account for nearly 20% of weekday ridership and is expected to rise consistent with efforts to identify and register the elderly and handicapped.

The scope and magnitude of future programs designed to aid the elderly and handicapped are contingent upon the information obtained from those individuals currently participating in the study. PATransit recognizes that existing technology is more than adequate to make public transportation accessible to elderly and handicapped persons. However, without a thorough understanding of their location, primary trip purpose, destination, availability of alternative travel modes and degree of mobility limitation, maximum utilization of this technology and manpower will not be made.

Therefore as the program continues every effort is being made to encourage elderly and handicapped persons to come forward, by phone or mail or in person, and state their needs. Only then can the PATransit system be properly adjusted and tuned to the transit needs of all the riding public.

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orange county starts services to build mobility

By
Edward F. Loritz
General Manager
Orange County Transit District

SANTA ANA, CALIF.—Make no mistake about it, the automobile always has been and still is king of the road for more than eight million inhabitants of this sprawling megalopolis known as southern California.

But in Orange County, which makes up a huge chunk of the population with nearly two million residents, the virtues of public transportation are gaining a foothold as never before.

One of the reasons can be found in numbers.

There are about 151,000 people in Orange County who are officially classified as "disabled" (physically, mentally or both) and who are under 65 years of age.

According to the latest 1976 local census, an additional 127,110 county citizens are senior citizens 65 and over and one-third of them are 75 and over.

In other words more than 16% of the total population of Orange County (between Los Angeles and San Diego counties) are either elderly or handicapped and in need of an alternative to the automobile.

OCTD's own marketing research has revealed that, despite the hundreds of thousands of car owners and users in the area, mass transit in the form of bus service is catching on with this important segment of the population.

Addressing the needs of the elderly and handicapped has, in fact, contributed to the reasons why the OCTD is growing at a record pace.

Since beginning operations in August 1972 with only five fixed-route buses, the OCTD has been innovative and successful in providing such services as dial-a-ride and community fixed-route service which are most helpful to the elderly and handicapped because they come as close to their front doors as possible.

funds, reimburses the OCTD 10¢ for each senior citizen per bus trip. The fixed-route fare for handicapped is 10¢.

Fares also have been reduced for seniors and handicapped on district special services in compliance with UMTA regulations. For only a quarter they can ride either dial-a-ride or park-and-ride, the district's special commuter service, during off-peak hours.

Dial-a-ride, the ultimate in public transit services, began here in February 1973, and was one of the first such programs west of the Mississippi River.

It operates in two cities in Orange County, La Habra (pop. 43,208) and Brea (pop. 21,930). Monthly, more than 10,000 ride dial-a-ride, or, nearly one-sixth of the total population of both cities, with revenue miles totaling about 25,000.

Some 18 dial-a-ride vehicles are used in the service which runs six days per week, 12 hours per day. A one-way flat fare of 50¢, is charged, except to seniors and disabled patrons who pay the discounted 25¢ fare.

Each bus is dispatched by a phone call to a dial-a-ride control center. Within 20 minutes a vehicle picks up the patron at his door and takes him anywhere in the two cities.

The service has been a boon to the citizens who are unable to walk or to be transported to a fixed-route bus stop.

OCTD's newest program is dial-a-lift which began last October with three buses ordered with the specially-equipped wheel-chair lift devices.

Dial-a-lift operates in 21 of the county's 26 cities, six days per week, 12 hours a day. Its popularity was immediate and the demand currently is greater than the supply. In the first month of service, more than 30 passengers were being carried daily.

Dial-a-lift is similar to dial-a-ride. However reservations must be made 24 hours in advance of the trip departure time, a limitation designed to maximize efficiency.

All the dial-a-lift buses are equipped with fold-up jump seats for 21 passengers. When folded the buses can accommodate five wheel chair patrons and six other riders.

To qualify for use of dial-a-lift, riders must be physically unable to board a regular OCTD fixed-route or community service bus and must be dependent on a wheelchair, walker, cane or crutches for walking support.

Special identification cards are issued to the handicapped if their disability is not easily discernable. The cards must be requested by a physican or a public agency providing services to handicapped persons.

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Furthermore the district currently is engaged in a new dial-a-lift demonstration program using three special hydraulic wheelchair lift-equipped buses acquired earlier this year at a cost of $25,000 each (includes $5000 for the lift device).

Early in its history the district conducted a countywide special bus needs study designed to highlight the services needed for the transit-dependent citizens of Orange County. As a result of the study the district began an orderly expansion program with services designed to provide transportation to all segments of the population, especially to those persons such as the elderly and less severely handicapped who are in need of alternatives to the automobile.

Although a major expansion program was thwarted by a legal snarl, dial-a-ride is successfully operating in two northern cities of Orange County populated by citizens who rely on the demand-responsive, ultimate convenience service.

The pilot dial-a-lift program resulted from studies and consultations with a Special Citizens' Committee for Special Transportation Services, the OCTD Citizens Advisory Committee and the Senior Citizens Advisory Council which continually monitor and inform the district of the needs and desires of the handicapped and elderly.

Through a unique agreement with the Orange County Board of Supervisors, the OCTD provides free rides to senior citizens on fixed-route buses. The county, using general revenue sharing

The district offers a $4 monthly pass for its fixed-route service to the handicapped who meet the eligibility requirements as defined by UMTA. The dial-a-lift fare is 25¢ for a one-way trip. A fare of 50¢ is charged to ambulatory companions of handicapped passengers.

With more than 278,000 elderly and handicapped citizens in the county, OCTD is obligated to fill the tremendous transportation gap which had been left open for so long. OCTD believes it is closing that gap in the most efficient and expeditious manner possible with the funds, equipment and manpower available now and in the future.

One of the advantages of being a new transit district is the opportunity to try innovative approaches without being concerned about correcting problems of the past. The steps now being taken will lead to a better tomorrow for Orange County transportation, for the senior citizens and handicapped and for all citizens of this fast-growing region.

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seats reserved for handicapped

BUFFALO, N.Y. – The Niagara Frontier Transit Metro System is installing decals on all Metro Buses requesting that riders "Please extend a courtesy. Give these seats to elderly and handicapped riders when required."

The decals will appear over the first three seats on each side of the bus, according to Robert G. Decker, Metro vice president, who explained that this is another step being taken to make it easier for senior citizens and handicapped persons to use public transportation. He urged the public to honor the signs by releasing the seats to those persons for whom standing or even walking to the rear of a moving vehicle, is a hardship.

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denver plans improvements for elderly, handicapped service

DENVER, COLO.— Plans for major improvements in service for elderly and handicapped residents of the Denver Regional Transportation District were announced recently by the board of directors.

Five actions were presented by Roger DeVries, RTD operations committee chairman, and Samuel R. Freeman, Denver board member and elderly and handicapped task force chairman. They include:

- on all 231 new buses to be ordered this year, wide doors will be provided to permit accommodation of wheelchair lifts (should this prove feasible they will be provided on all buses that will be ordered by RTD in 1977) and special lighting, handrails and other equipment designed to assist the elderly and handicapped will be required;
- 176 kneeling standard transit buses will be secured out of the total 1977 order for new buses;
- on bids for 18 medium size buses, out of 55 to be ordered in February, manufacturers have been asked to submit prices for installation of wheelchair lifts and for provision of wheelchair interior placement;
- 10 existing buses will be converted to complete wheelchair service, including lifts and interior placement equipment to accommodate full loads of wheelchair patrons; and
- the RTD staff has been directed to develop and test new service concepts designed to improve mobility of the elderly and handicapped.

"This action represents a second major RTD commitment of transportation for the elderly and handicapped," DeVries said.

RTD began one of the first regular services for handicapped in the nation in February 1975. The district currently has 12 Handyride buses and has initiated special service serving over 6000 passenger trips monthly. The buses have wheelchair lifts and locking positions for four chairs. Service is on a subscription basis.

Retrofit Program

In addition to design and purchase of the 12 special buses, RTD initiated a major retrofit program for all later model buses in the fleet to make them safer and more accessible for elderly persons and riders with minor handicaps. That retrofit program included additional lighting at boarding steps, extra handrails and grabrails, slip-proof flooring and other features.

The kneeling bus was developed and approved recently by UMTA, Denver transit officials said. One corner of the bus can be lowered at a stop so that the first step through the door is near curb level.

UMTA is providing 80% of the funds for purchase of the 231 new buses, on which bids will be opened in February. One hundred and sixty of the buses are being purchased under a total $20.4 million grant approved in December and 71 were authorized by grants earlier in 1976.

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Increasing efforts to serve

By
Curtis E. Green
General Manager
San Francisco Municipal Railway

SAN FRANCISCO, CALIF.—For many years, the San Francisco Municipal Railway has been increasing its efforts to assist the handicapped and elderly to use transit. As early as the 1930's, Muni had free passes for the legally blind and, in the past few years, Muni has provided a 5¢ fare for the elderly and handicapped. It is now the policy of the Board of Supervisors and the Public Utilities Commission of San Francisco, which oversees Muni's operations, that the physically handicapped and elderly have the same right as other persons to use the Municipal Railway and that full accessibility to regular transit services is the ultimate goal. Every effort is being made to implement the policy as soon as possible.

As noted above, Muni already provides free services to the blind and an 80% discount to the elderly and handicapped, which is a substantially greater discount than the 50% mandated by UMTA. The senior citizen fare of 5¢ was initiated in 1969 during off-peak periods and expanded to all hours in February 1975. The handicapped fare, also 5¢, was implemented in June 1975 for off-peak periods and expanded to 24 hours in January 1976. The elderly and handicapped 5¢ fare applies to all Muni services, including express routes and ball park specials.

Also, to aid further the handicapped and elderly, transparent decal-type signs have been placed on the windows over the front two seats requesting passengers to reserve these seats for such travelers.

To facilitate the implementation of the policy of full accessibility, a number of studies are now getting underway dealing with Muni Metro accessibility, bus and trolley coach accessibility and a comprehensive coordination plan.

The Muni Metro Accessibility Study will address the problem of making the Muni light rail system fully accessible to the handicapped. Subway stations are already equipped with elevators and are designed for high-level loading. The Metro cars will have movable steps for high-level loading in the subway and low-level loading on the street. A consultant has been hired and will soon commence work on this study.

A passive wheelchair lift program is being conducted by the California DOT in conjunction with the United Cerebral Palsy Association of San Francisco, with buses supplied by the San Francisco Municipal Railway, the Southern California Rapid Transit District and AC Transit. With the assistance of state funds, this program is to develop a wheelchair lift which can be installed in the front or rear door-well of the buses. The lift will be designed to allow normal loading in the "passive" three-step position. A request for proposals has recently been issued to prospective manufacturers.

The San Francisco Transit Elderly and Handicapped Accessibility Study will address the entire problem of transit accessibility for the elderly and handicapped in San Francisco. It will identify the handicapped and examine alternatives for providing full accessibility, including retrofitting the current Muni fleet with lifts and providing demand responsive or subscriptive service. It will develop an operating plan for serving the elderly and handicapped and also develop a plan for coordinating the existing numerous special elderly and handicapped services with each other and with Muni. The study will involve public input at each stage. The scope for this study, to be funded by the Metropolitan Transportation Commission, is currently being drafted.

The San Francisco Public Utilities Commission and its staff are constantly researching and updating information on elderly and handicapped accessibility developments, advancements and trends particularly as they relate to Muni.

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pittsburgh wins award for handicapped service

PITTSBURGH, PA.—Port Authority Transit has been honored by Goodwill Industries of Pittsburgh for outstanding service to the handicapped in 1976.

Evelyn B. Pearson, a Goodwill Industries board member, said, "This is our small way of saying 'thank you' from the clients and staff at Goodwill."

Carol Schneider, group sales coordinator, and Tom Letky, special projects coordinator, accepted the Goodwill Trophy for PAT at a luncheon held at the south side facility.

Many Services

Pearson noted that programs like the half-fare for the handicapped, group sale of monthly permits, instruction of how to use transit and painting a Goodwill Industries promotion trolley, are only a few of the services PAT has provided for the handicapped at Goodwill.

Schneider, who introduced the transit savings plan to Goodwill two years ago, has been with PAT since 1973. She also has set up programs for 25 companies and agencies in the Pittsburgh area who are participating in PAT's group-buying programs which have cut commuting costs and encouraged expanded use of public transit.

In addition to Goodwill, Letky, who is a former driver, has worked with special schools in Allegheny County to increase the mobility of handicapped persons. He has helped many handicapped, retarded and blind persons to travel independently on PAT buses and trolleys.

Following lunch, Shneider and Letky were taken on a tour of Goodwill Industries.

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elderly and handicapped

planning more services

By
Ellis Watkins
General Manager

DALLAS, TEX.–For several years now, we've been hearing about the plight of senior citizens, our parents and grandparents. With inflation, recession and stabilization of social security and pension benefits, a lot of our older fellow Americans have a hard time making ends meet. As early as 1971 the Dallas Transit System began efforts to make public transportation more accessible to senior citizens with the introduction of the $5 monthly pass, offering users an unlimited number of trips each month.

Since 1971 the Dallas system has implemented a variety of programs and services to better accommodate senior citizens within its service area and in the future more services for senior citizens, as well as the handicapped, are planned.

Some 9% of Dallas Transit's daily riders are senior citizens or handicapped persons. That's in direct proportion to the population, because 9% of the persons living within Dallas Transit's service area are senior citizens or handicapped persons.

Since an appreciable portion of total Dallas Transit ridership is derived from these groups, we are always looking for ways to better serve them. When we introduced the monthly pass in 1971, it was offered to any resident of our service area who was 65 or older.

At the time it was introduced, the $5 monthly pass could only be used during nonpeak hours, between 9 a.m. and 4 p.m., after 6 p.m. weekdays and all day on weekends and holidays. But in 1973 the Dallas system implemented a 10¢ senior citizen fare, which is still in effect.

When the 10¢ senior citizen fare was introduced, the "time of day" limitation was removed from the senior citizen pass, so that fares and passes were good on a Dallas transit bus at any time.

Put into use a year before the National Mass Transportation Assistance Act of 1974 came into effect, the only requirement was that senior citizens present a DTS photo-identification card in order to take advantage of the 10¢ fare. The photo-identification card is valid as long as the owner has it and the only requirement in obtaining one is proof of age, such as a driver's license or Medicare card. The senior citizen identification card entitles the bearer to the 10¢ fare and is used in conjunction with the $5 monthly pass.

Approximately 42,000 senior citizen cards have been issued to date and about 350 monthly passes are sold every month.

For the convenience of transit riding senior citizens, the $5 monthly passes are available at seven locations in the Dallas area.

The Dallas system operates on a fare-zone basis with a base fare of 35¢. That means that the senior citizen fare of 10¢ is less than 30% of the base fare and that Dallas Transit System's handicapped fare, which is 15¢, is less than 45%.

Also in 1973 Dallas Transit System launched an innovative program for senior citizens called Omni-Bus. Omni-Bus is a service designed to allow senior citizen groups of 35 or more to travel to special locations, such as entertainment centers and shopping centers, at minimal costs. The trips normally involve about three and a half hours, with a fare of $2 per person.

Dial-a-Trip

Another service introduced at about the same time, called Dial-a-Trip, makes it possible for residents of a senior citizen high rise apartment complex, located a few blocks from a scheduled stop, to arrange for a bus to pick them up at their front door and continue on its regular route.

The Dallas Public Transit Board recently approved a projected transportation plan for the elderly and handicapped. Under this plan which will begin to be effected within the next year, the system will study methods of modifying buses or services to make riding the bus more accessible to persons with slight mobility problems; working with private operators to provide transportation for severely handicapped and semi-ambulatory individuals, including persons who are wheelchair bound; and providing more efficient transportation by improving combination and utilization of existing services offered by service agencies.

Other added services, such as new bus stop signs, new type destination signs, bus benches and shelters, will make public transportation more convenient for those elderly and handicapped persons in our service area. Over the next few years, we intend to implement every feasible means of improving service for these two important segments of the transit riding public. By making our buses more accessible, we believe we will appreciably stimulate ridership.

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Mr. McDonough. APTA supports the proposed section 16 revisions as they reaffirm this local control principle.

Public transportation operators will responsibly document their plans and programs for providing mobility for elderly and handicapped persons to support the required Secretarial determination.

I would like to refrain from reading the next two pages of my testimony verbatim and merely summarize them.

We are talking about several items we would like to see included in the act. There are three items in particular. I will just mention them.

First is an orderly cooperative transit research program.

Second, we believe section 5 research funds should be directed to all urbanized areas in the same manner.

And, third, we recommend an authorization for assistance to nonurbanized areas.

Current language expresses congressional intent to provide up to $500 million to these areas; however, a separate section and authorization would strengthen the statutory basis for such assistance.

We propose the addition of a section 18 in the UMT Act to authorize up to $50 million annually for mass transportation capital and operating assistance.

Turning to the critical nature of this legislation, I would like to describe briefly why these amendments are vital to the continued progress of our Federal transit assistance program.

In many of the Nation's urban areas, transit ridership has risen in response to the public commitment to increased service levels and transit accessibility.

These service increases and innovative policies have been made possible by the availability of local, State, and Federal operating assistance.

Many of the larger cities, however, are experiencing increasing difficulty in maintaining required levels and have begun to increase fares and to reduce service.

These areas are in need of a greater share of Federal operating assistance.

The section 5 formula is not responsive to local subsidy needs in many of these larger cities due to its basis in population and population density.

We have found, in fact, that on a per passenger or per vehicle mile basis, the section 5 formula delivers a wide range of funds to the areas depending on their population.

A crisis in meeting operating expenses is being experienced by these larger American cities.

One problem is the impact of the existence of commuter railroad services on the need to subsidize public transportation.

In the Northeastern cities covered by the Conrail takeover and assisted by Emergency Commuter Rail subsidies under section 17, public transit agencies are trying to maintain services under complex regulations issued by the Interstate Commerce Commission.

Section 17, which lapses in October 1978, is a response to only one part of a national commuter rail problem. In all cities which have commuter rail services, there is a pressing need for additional operating support.

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The existence of such services makes the problems of providing for adequate service levels more difficult.

We believe that the best option possible to assist those areas whose apportioned funds are not adequate is to provide a supplementary increment of section 5 assistance delivered to the urban areas under a new formula which directs more of the funds to the areas of greatest need.

We have exhaustively analyzed this problem, particularly the possibility of changing the existing formula and the development of a new formula.

Our conclusion is that the existing formula and the promised 6-year delivery of funds should not be changed, but the new formula should give greater weight to transit ridership, local financial effort, or density.

Now turning to the capital program, funded by section 3 of the act, we have become embroiled in a complex debate as to the existence or nonexistence of a crisis in capital assistance funding.

Section 3 serves to meet the Nation's bus equipment and facility needs, rapid transit and commuter rail system modernization and extension needs, as well as the resources to construct new fixed public transportation systems.

Historically, the Urban Mass Transportation Administration attempted to fund every bus project that was requested, provided it had an adequate justification, and attempted to provide continuing levels of support for rail extension and modernization projects.

In addition, UMTA has devised a methodology to permit the undertaking of large construction or acquisition projects through commitments and pledges to a fully funded total cost with annual obligations closely matched to the rate of actual project expenditures.

These commitments have been made within the available authorization level and have now reached $4.13 billion, with an estimated unobligated balance at the beginning of fiscal year 1978 of $2.62 billion.

This procedure has created an accounting system for section 3 funds which takes into consideration not just the level of authorizations unobligated, but the level of authorizations neither obligated nor committed.

Each year UMTA obligations are being made against these commitments, as well as to projects for which no commitment has been made.

Since the provision of $7.125 billion in 1975, UMTA has annually made obligations of funds, and pledges and commitments within the authorized funds.

At the end of 1975 authorizations of $5.376 billion remained unobligated and uncommitted to multiyear projects.

At the end of 1976 and the transition quarter, only $3.145 billion remained.

This assumes, of course, that the new administration makes no commitments in its first year in office.

The impact of this financial crisis is a reduced level of project obligations to bus and rail modernization projects and a delay or stretching out of the funding of projects to which commitments have been made.

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APTA believes that it would be tragic to:

1. Allow the public transportation program to falter in 1978;
2. Slow down projects which are finally underway;
3. Reduce the assistance for bus transportation projects;
4. Stretch out or delay essential rail modernization projects; and
5. Refuse to deal with legitimate requests from additional areas who have patiently waited for their turn.

Mr. Chairman, this completes my prepared remarks.

My colleagues and I will be glad to answer any questions that you might have.

Thank you.

Senator WILLIAMS. I wonder if it would be best to have Mr. Wright, and then go to questions.

Mr. Wright, Chairman of the Board of the Metropolitan Atlanta Rapid Transit Authority. We are pleased to have you here.

STATEMENT OF JOHN E. WRIGHT, CHAIRMAN OF THE BOARD OF DIRECTORS OF THE METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

Mr. WRIGHT. Thank you, Mr. Chairman.

I am president of the Atlanta AFL/CIO and I appear today as chairman of the board of directors of the Atlanta Transit Authority.

I appreciate the opportunity to make a statement concerning S. 208.

Mr. McDonough has presented the broad view of the transit industry which the American Public Transit Association represents on a national basis. His testimony has outlined the great need of mass transit in America for legislation such as S. 208.

I will limit my brief comments to a specific case study pinpointing the need for S. 208, if mass transit is to serve the needs of the citizens of our urban areas. In short, I'd like to tell you about MARTA in Atlanta, Ga.

The Metropolitan Atlanta Rapid Transit Authority does two things: It operates the safest, cleanest, and best bus system in America, and it is building a rapid rail system that will be the envy of the industry. It does this in the context of what the UMTA Act of 1970 termed a "partnership" between the Federal and local governments.

In November 1971, when the people of Fulton and DeKalb Counties voted to tax themselves 1 percent in additional sales taxes for mass transit purposes, we committed to them to purchase the local bus company, reduce the fare to 15 cents, and widely expand its service. We also committed to build a 53-mile rapid rail system. The results have been startling. With UMTA grants and local funds our expanded bus operation has seen a dramatic increase in patronage of 35 percent. Since 1972 bus patronage has jumped from 57 million to 78 million annually. We have increased bus mileage from 19 million to 27 million annual bus miles.

We are very proud of the fact that the profile of our ridership has changed markedly from the transit-dependent to include those who can really go any way they want to but use mass transit because it is clean, efficient, and safe.

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Our expanded bus fleet of 738 vehicles is among the newest in the country. MARTA's short range bus system improvement progress is shown in exhibit 1. The second page of exhibit I reiterates some of these results in clearer fashion. Particularly it shows we have taken 34,000 automobile trips off the street daily, 34,000 daily.

[Exhibits begin at p. 375.]

It brings attention to the change in our ridership profile, which we attribute to the new standards we applied to our bus operation in Atlanta. Also we are very proud of the fact that we have a very cheap system, a safe system, and a system which has received awards for the last 2 years for being the safest system in the United States.

Now, a few words about MARTA's rapid rail system which is under construction. In the spring of 1975 Secretary of Transportation Coleman committed $600 million to MARTA, subject to annual appropriations of the Congress. This amount, added to the $200 million already granted, totaled $800 million in Federal funds to be applied from the authorization contained in S. 386, which this committee handled in late 1974.

In the utilization of these funds MARTA proposed, and UMTA approved, the project which we designate as "Phase A," which is seen in exhibit 2. Phase A encompasses design, right-of-way acquisition and construction of 13.7 miles of rapid rail line, including 17 stations shown on the exhibit in red. It also includes design only of another 8.1 miles and seven additional stations of the system shown in blue. With the addition of $217 million in local matching funds, the total budget for Phase A is $1.017 billion.

MARTA's stewardship in this Federal-local partnership, we feel, has been outstanding. The Federal partner has made timely and adequate grants. MARTA has matched these grants with local sales tax revenues dating from 1972. Grant fund status is shown in exhibit 4. Exhibit 5 shows the milestones of this Federal-local partnership. Exhibit 5 is a dramatic indicator of the system over the past several years. You will note between February 1974 and February of 1975, we awarded one contract; during that same period ending in 1976, we awarded 12 contracts. During the comparable period ending in February of 1977, we awarded 47 contracts. That shows the kind of momentum we have achieved and the kind of momentum we would like to maintain. It takes us a long time to get up to speed.

We need to maintain our staff which we will begin to lose shortly because designers and engineers have to have something to do and we are running out of something for them to do and money to pay them with.

We have been able to benefit substantially from the depressed construction market.

All of our bids have come in under the engineer's estimate. and we have had the same benefit from a depressed real estate market.

Let me pause here also to state, and even boast that we are, in fact, on schedule with our project and we are, in fact, within the budget.

Another vital fact about the MARTA project needs emphasis, and that is jobs. Today, as I speak to you here, some 1800 construction workers are on the job for MARTA, and that does not include sup-

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ply, delivery and so on. That number will swell significantly when the weather moderates.

Now the question: will this project move on toward completion?

Please note from exhibit 1 that only about half of the total 53-mile rapid transit system is funded.

Please also note from exhibit 3 that $692 million of the $800 million commitment has been granted.

Obviously, without S. 208 the MARTA project soon will slow to a trickle. Without the additional authorizations contained in S. 208, construction of the MARTA project will slow to only those bits and pieces of the total system which can be built with local funds or bonds supported by local funds. We have a saying at MARTA: "We must stay two years ahead of the shovel."

Mr. Chairman, the long lead times involved in a large construction project such as MARTA requires that we have a Federal partner: one whom we can look to for adequate, dependable, and timely aid.

So we say that with passage of S. 208 we believe we can compete with other urban areas for a share of new Federal funds. It has been said that in transit, the Federal partner responds to local initiative. That has been the case up till now.

Atlanta showed initiative by taxing themselves to support an excellent bus operation and a rapid rail system.

UMTA has responded to our initiative.

It is our sincere hope that you and your colleagues in the Congress will continue your response as we continue our initiative. With your help we can retain our considerable momentum toward completion of a system which is providing much-needed jobs for the construction industry, much-needed stimulus to the economic health of a wide area of the country, much-needed conservation of energy and an improving environment, as we provide the means of reducing air pollution through reducing traffic congestion in our metropolitan area.

Mr. Chairman, we believe that the MARTA project is a specific example in microcosm of what S. 208 can mean to this Nation. With it we can continue our task. Without it we may slow to a stop when we're only half-way home, and at a time when our original goal is much more urgent than when we started.

We certainly appreciate the opportunity to speak here today.

Of course, we, too, would be happy to answer any questions.

[Exhibits accompanying Mr. Wright's statement follow:]

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SHORT-RANGE PROGRAM

ACCOMPLISHMENTS

- 540 NEW BUSES IN SERVICE: SERVICE FLEET EXPANDED FROM 503 TO 738
- 117 BUS SHELTERS INSTALLED
- NEW BUS OPERATION AND MAINTENANCE FACILITY OPENED; SECOND OPERATION FACILITY OPENED AUGUST, 1976; NEW HEAVY MAINTENANCE FACILITY OPENED DECEMBER, 1976
- THREE PARK-RIDE LOTS OPENED
- 281 SERVICE IMPROVEMENTS, INCLUDING 25 NEW LINES OF WHICH FIVE ARE CROSSTOWN ROUTES
- FARE LOWERED FROM 40¢ TO 15¢
- INSTALLED VACUUM FARE COLLECTION SYSTEM
- 41% INCREASE IN ANNUAL MILES--FROM 19 TO 27 MILLION
- INSTALLED BUS RADIO COMMUNICATIONS SYSTEM

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SHORT-RANGE PROGRAM

RESULTS

- 35% INCREASE IN PATRONAGE--FROM 57 TO 78 MILLION PASSENGERS PER YEAR
- 34,000 DAILY AUTO TRIPS DIVERTED TO TRANSIT
- 17,000 CARS/DAY OFF THE STREETS
- CHANGE IN RIDERSHIP PROFILE
- CLEANEST, SAFEST, MOST RELIABLE BUS SYSTEM IN COUNTRY

EXHIBIT 1

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PHASE A SYSTEM

- SCOPE:

DESIGN, R-O-W ACQUISITION CONSTRUCTION	13.7 MILES 17 STATIONS	48 CCU'S
DESIGN ONLY	8.1 MILES 7 STATIONS	15 CCU'S

- BUDGET: $1.017 BILLION

- REVENUE SERVICE:

EAST LINE	DECEMBER, 1978
WEST LINE	DECEMBER, 1979
N/S LINES	APRIL, 1981

EXHIBIT 3

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GRANT FUND STATUS FOR PHASE A

(IN MILLIONS)

	AVAILABLE FOR COMMITMENT	ADDITIONAL COMMITMENT REQUIREMENT	TOTAL PHASE A COMMITMENT REQUIREMENT
FEDERAL	$692	$108	$ 800
LOCAL	190	27	217
TOTAL	$882	$135	$ 1,017
PERCENT	87%	13%	100%

EXHIBIT 4

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MILESTONE PROGRESS

MILESTONE	FEBRUARY, 1975	FEBRUARY, 1976	FEBRUARY, 1977
COMPLETED DESIGN	2	9	37
CONSTRUCTION:			
AWARDED CONTRACTS	1	8	30
TOTAL CONTRACT VALUE	$2.6M	$50.2M	$253.9M
* REVENUE MILEAGE UNDER CONSTRUCTION	0.4	4.5	12.0
NUMBER OF CONSTRUCTION WORKERS	0	109	1375
PROCUREMENT:			
AWARDED CONTRACTS	0	4	17
TOTAL CONTRACT VALUE	0	$6.5M	$146.4M
CONSTRUCTION AND PROCUREMENT			
AWARDED CONTRACTS	1	12	47
TOTAL CONTRACT VALUE	$2.6M	$56.7M	$400.3M

(*) NTP not issued for CE191,(Arizona Ave.) until 5/14/75; therefore, no workers on site in February, 1975.

as of Feb. 14, 1977

EXHIBIT 5

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CONSTRUCTION AND PROCUREMENT SUMMARY

AWARDED	47 CONTRACTS	$400.3 MILLION
BIDS OPENED	4 CONTRACTS	13.8 MILLION
ADVERTISED	1 CONTRACT	4.2 MILLION
TO BE ADVERTISED BY JUNE 30, 1977	13 CONTRACTS	67.1 MILLION
TOTAL	65 CONTRACTS	$485.4 MILLION

EXHIBIT 9

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REAL ESTATE

(AS OF 1/31/77)

PARCEL ACQUISITION

1,151 REQUIRED (0)

1,006 APPROVED FOR ACQUISITION (+29)

835 CLOSED (+25)

786 READY FOR CONSTRUCTION (+50)

DISPLACEE RELOCATION

1,012 REQUIRED (0)

960 COMPLETED (+12)

707 RESIDENTIAL (+9)

253 COMMERCIAL (+3)

EXHIBIT 7

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Senator WILLIAMS. Thank you very much, Mr. Wright.

I, of course, was impressed with the pride you have in your present service when you called it the safest, cleanest, and what was the other adjective?

Mr. WRIGHT. We are most proud of the safest and cleanest aspects.

Senator WILLIAMS. I thought it was a local pride, but evidently that has been an objective determination from outsiders. Is that right? You are getting some kind of an award?

Mr. WRIGHT. We have for the last 2 years been given the award from APTA as the safest system in America, in North America, in the past year. We are very proud of that. We have a very fine cadre of operators who are not only very safe but very courteous. We feel we are establishing a new level of service in public transportation.

Senator WILLIAMS. You have developed, obviously, an excellent bus system. What is the future when you go into—when your construction is complete to the point that you have rail operations? How are you going to handle the duplication, if there is any?

Mr. WRIGHT. Senator, we don't ever expect to reduce the number of our bus miles, at least not in the foreseeable future. What we will do when we go into our rail service is to reorient the bus service to service the stations, instead of servicing downtown areas as it does now.

Atlanta is a little bit of a unique town. You have a very nice grid system of streets here in Washington. We don't have that. The last president of the privately owned transit company in Alanta said they built the streets in Atlanta the way the cows walk, they all go right downtown.

We have a great difficulty in providing good across-town bus transportation, but with the implementation of our rail service, we will be able to of course provide much more comprehensive bus and rail service, integrated, to our entire district.

Senator WILLIAMS. When do you expect rapid rail to be operational?

Mr. WRIGHT. We expect to open our first rail segment before the end of December 1978, a little less than 2 years from now.

Senator WILLIAMS. Now, the only figure showing on the chart that deals with Atlanta is fiscal 1975. That's the $800 million that you referred to and used that figure through your testimony.

Mr. WRIGHT. Yes, sir.

Senator WILLIAMS. And I think $600 million of that has——

Mr. WRIGHT. In excess. We have a little bit more than $100 million left to draw now from the $800 million commitment.

Senator WILLIAMS. I see. Now, Atlanta doesn't appear in any of the other years shown on our chart and the chart shows obligations and also commitments. On another card, it's described as obligations, pledges, and commitments. Do you have any pledges or commitments beyond the contract of $800 million?

Mr. WRIGHT. No, sir, Senator Williams. I must say that Secretary Coleman was rather specific when he indicated we might not expect any additional commitments out of the current appropriation.

Senator WILLIAMS. Well, how much——

Mr. WRIGHT. Beyond the $800 million.

Senator WILLIAMS. Out of the current what? Say that again.

Mr. WRIGHT. Out of the current appropriation.

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Senator WILLIAMS. What will be the cost beyond the $800 million for you to be operational on phase A?

Mr. WRIGHT. Let me be sure I understand your question. On phase A, the cost beyond $800 million?

Senator WILLIAMS. Yes.

Mr. WRIGHT. We will build phase A with the $800 million. In addition to our local share, that is. That is, we think, at this point adequate. As I said, we are within our budget and we are on schedule for phase A. Phase A is just half of our system, and half in dollars, less than half in miles.

Senator WILLIAMS. You have phase A construction and phase A design only. We are talking about phase A construction.

Mr. WRIGHT. Yes, sir.

Senator WILLIAMS. What is the—you have been about phase A in construction for about how many years?

Mr. WRIGHT. We have only been in construction, as you can see, on the second sheet—the only sheet on exhibit 5, it points out on the bottom line that from 1974 to 1975, we only let one construction contract. Then in the next 12 months ending in February of 1976, we had let 12 during that 12 months. Of course, in the last 12 months just ended, we let 47 contracts, so you could say we have been in construction since late 1974.

Senator WILLIAMS. You must have had agood deal of foresight, going back a couple of years and arriving at that figure, because costs have all gone up since then.

Mr. WRIGHT. Enormously.

Senator WILLIAMS. And you still will be able to fit this, notwithstanding the inflation factor, within your earlier estimates?

Mr. WRIGHT. We got the commitment from Secretary Coleman in—we didn't get that final commitment from Secretary Coleman, and I have it here someplace, until late 1975 or early 1976. At that time we established a budget for the phase A portion of our system. But even at that point, that budget was not a whole lot—that was not a substantial increase over our previous estimates. Our previous estimates were about 3 years before, before that commitment.

Senator WILLIAMS. You haven't had the very difficult experience of overruns, then, on this construction?

Mr. WRIGHT. No, sir. At this point we attribute that, as I said, to the depressed construction industry. We have had very, very tight bids and lots of them. We have only had two bids that have come in over the engineers' estimate, out of all of these listed in that exhibit. Only two of them have come in over the engineers' estimate, so we have clearly benefited from the current economic climate, not only in construction but in real estate acquisition as well.

Senator WILLIAMS. I wonder if this experience is general, in other parts of our country? Can we open the panel now?

Mr. MCDONOUGH. I think, Mr. Chairman, it is in the area of construction, because of the lack of construction around the country, the point Mr. Wright makes is true, that there is greater competition, I think. The escalation of cost is another factor altogether.

When you get to material costs such as we experience in the bus or rail equipment, I can give you a specific example of Chicago, where we just recently took the delivery of the first 200 new rapid transit

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cars and each car, the bid price was $300,000 which was bid in 1975, and the engineers indicated to me at the dedication if we were to reorder the next day, the price would be $600,000. We bought rail equipment not too many years ago for as little as $100,000 and we are looking at escalation in those as high as 500, 600, and 700 percent.

The bus equipment runs the same. The bus that used to cost $30,000 to $35,000, is now costing $60,000 to $65,000, and when you talk about large fleets like Boston, New York, Philadelphia, you are talking about a substantial escalation of cost.

There is some reason for it, of course. Air conditioning, greater comfort to passengers; these are some of the reasons we think that ridership is coming back to mass transit.

We think they should be done, but at the same time you have to live with those escalations and those realistic figures.

Senator WILLIAMS. You are talking vehicles here. Coming back to Atlanta, this was all construction—is that all construction costs?

Mr. WRIGHT. No, sir. That includes some equipment costs, also.

Senator WILLIAMS. Both construction and equipment.

Mr. WRIGHT. The inflation has hurt us worse in the operational area. We made those projections 10 years ago before we went through the worst inflationary period, and our costs are a whole lot more now than we projected at that time. We made most of the projections, the construction projections, after the worst of the inflation, and of course we benefited from that.

Senator WILLIAMS. You know, the fiscal state of UMTA right now is not broadly and clearly and simply understood. These charts we put up to make the—to make our present posture as vivid as we can. It's an accurate description of where we are right now, given the pledges and commitments that have been made.

Going into fiscal 1978 and with the assumption that what our Government has said it means, in other words, that the commitments, the pledges and commitments will be funded.

When you go into 1978, which is just what, how many months away?

Mr. STOKES. October 1.

Senator WILLIAMS. Well, less than a year, with a balance of authorized money of $700 million; is that right?

Mr. STOKES. Yes, sir.

Mr. MCDONOUGH. That is correct. Those are accurate.

Of course, if the commitments are followed up, you take the $709 million and compare it to the 1978 pending funding of $5.79 billion gives you some idea that we are below our needs.

Senator WILLIAMS. Now, there might be those who will say, "Let us take that figure, the figure for 1978 and put some authorization in here for another year."

How do you, as operators, respond to what I would call the most dangerously retrogressive attitude of going back to nearly an annual or even a 2-year program of authorized money for contract, advance contracts?

Mr. MCDONOUGH. I think Mr. Wright answered that very well in his particular case of Atlanta, where they had the commitment, they went ahead and they knew the program was going to be for the next 5- or 6-year period. Therefore they could make commitments, make plans and move ahead.

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If you don't have that kind of planning process, then you are going to be bogged down and when you finally get around to making those plans they are going to be more costly, and I think less accurate in terms of their proper planning.

I would think almost every transit operator in the country would agree that a year or two years, Mr. Chairman, is too little of time to make proper plans or commitments for mass transit or any major commitments to transit systems.

Mr. STOKES. Senator Williams, if I can add one supplement to that, I have had the privilege of testifying before you on a number of occasions in the last 10 years, and the one thing we have always striven for in addition to the level of funding is the guaranteed continuity of funds so the heavy construction projects can be handled on a planned and orderly basis, at least working 5 years in advance, in order for the transit operator, local public officials like the mayor that preceded us, to realistically lay out their programs in those areas. At least a 5-year program is absolutely essential.

Senator WILLIAMS. Let's look to the chart which shows pledges and commitments, then the far right column in the metropolitan areas and the number under the heading "fiscal 1978 pending."

These have not—the word "pending" means no pledge has been made.

Mr. STOKES. Yes, sir.

Senator WILLIAMS. You gentlemen, from your association, I know you communicate. It is an association of people that you know what your peers of other communities are up to.

Now, as you look at that list from the Los Angeles, Chicago, Boston, New York, Philadelphia, Honolulu, and another place, South Jersey, are you familiar with applications, those applications that are pending in a broad way, general way?

Mr. STOKES. In a very broad way, if I may. We are familiar with the programs that have gone on in some cases over a period of years.

The local transit operators and public officials, boards of supervisors and city council is arriving at or attempting to arrive at transit improvements have gone through several reincarnations and are now reaching the point in fiscal 1978 where they would like to come in, having waited their turn, be able to get guaranteed funding or commitments that would permit them to proceed in an orderly process to implement these projection.

I think Mr. Gambaccini can talk about the South Jersey situation because it is in his area.

Senator WILLIAMS. These are not late arrivals, this has been a long, long development that have brought those communities to this posture of application pending.

Mr. STOKES. For years, sir.

Mr. GAMBACCINI. There is a déja vu quality of this discussion. I recall having similar discussions with you and members of your staff about 7 or 8 years ago when we tried to get a transit trust fund.

What the transit industry desperately needs in the context of projects that take anywhere from 10 to 15 years, from concept to execution and that does not include going back to the drawing board to reconceive the project based on available funding, or changes in leadership

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and the like. This includes merely the orderly development of a set plan.

What the program needs is a bill and a long view forward, some confidence that funding is out there for several years and with respect to individual applicants, a reasonable confidence before making these kinds of major commitments, that the funding will continue in some orderly fashion.

In some of these cases, the projects on the 1978 pending column, these represent redos of projects two, three, four times. Each time to reduce the scope because of alleged limited funding.

I submit that if, for example, in the case of Los Angeles, the commitment had been made 8 or 10 years ago, you would have bought a lot more system for a lot less money and many, many people would be enjoying the fruits of that particular system.

We have been traumatized in the last several years by changes in direction, by reconceiving planning assumptions, by new methodologies and testing the priority of projects, and the like.

What we desperately need is a long shot forward with adequate funding, reasonably geared to the kinds of projects that are relatively solid and are reflected in that 1978 pending column.

Mr. McDonough. Mr. Chairman, I could comment on one, of course: My personal experience in the case of Chicago. Included in that $1.3 billion, which is really $1.6 billion with local share contribution, many, many years, and of course, events of recent weeks have made one of the cases a very tragic and nationwide example, where 11 people were killed on the Elevated because the car went off the tracks.

The Elevated was built in 1890. There have been pending since 1968 proposals to build subway systems on the Franklin Line and Monroe Line in Chicago——

Senator Williams. Those are the Elevated?

Mr. McDonough. The Monroe and Franklin Lines would replace the Elevated system with an underground and in some cases a grade level elevated system, but we have within that $1.3 billion $500 million for the Franklin Line, with the last—in 1977, you can see the $208 million of moneys there, have now started some of the specific engineering for one section of that Franklin Line.

But there are not even funds in there for the Monroe Line so the figures in most cases represent a rather simple outlook.

We feel it is very, very accurate, and it is very needed. I might point out it also involves the RTA.

Chicago is structured under a regional transit system of six counties and the CTA is one of those within the county of Cook. There is modernization of the bus fleet for expanded service into the suburban community, the Monroe or Franklin Street Line upgrading of the system, rail system, et cetera. So it is a substantial improvement to the ability to move people in this large metropolitan area. Not just Chicago, but the six counties surrounding Chicago.

Senator Williams. Coming back to Chicago and the $1.3 under pending for 1978, how far will that take you on those two lines?

Mr. McDonough. The Franklin Line would hook up with the existing Elevated system and would hook up with the North Line up into Ravenswood or up into Evanston, so we would have a continuous

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system, which we don't now have without coming in and going around the Loop system.

One of the systems would allow the entire removal of the Elevated but both would—we could take it immediately down if the Franklin Line were built, you could take down at least the two sections of the Elevated right down through the Loop area.

Senator WILLIAMS. That is included?

Mr. MCDONOUGH. Yes.

Senator WILLIAMS. Your projection beyond 1978 would include taking down the rest of the Loop?

Mr. MCDONOUGH. Yes.

Senator WILLIAMS. That doesn't show on any figures.

Mr. MCDONOUGH. That is correct.

Senator WILLIAMS. And it doesn't show in this next year. In other words, does that support part of your basic, basic thesis, that you need a longer period for planning and commitment?

Mr. MCDONOUGH. I think it is a classic example of it. This plan has been looked at and reevaluated and there are always changes. In 1968, a specific plan was submitted on the building of both of those lines. Of course, funding is a problem and we recognize that, and the city—I am speaking of Chicago alone—had to deal with which to do first.

They opted to go ahead with the Franklin Line because it would connect the two major lines to the north and south. The Monroe Line would come down and allow the removal of the rest of the system, then connect with the Elevated, the existing underground system and also the new areas to the north of the downtown area, which have no service now except for street service bus, and to the south for the convention center. It is an exhaustive system.

It would have an impact on the economy and vitality of the city and, more importantly, the ability to move people in and out of the city.

Senator WILLIAMS. It is a very clear and compelling story we hear from you, in my judgment. I think our record will be read and it will be understood.

Now I haven't had a chance to read the resolution that was adopted this last week.

Mr. MCDONOUGH. Yes. We had a meeting of our board. The proposal of support of S. 208 was approved by the executive committee, then passed by the full board of directors on the 20th of this month.

Senator WILLIAMS. In your statement, I gather, in terms of section 3 and the capital program, except for the average amount your basic—we are basically on all fours.

Mr. MCDONOUGH. That is correct. Minor differences.

Senator WILLIAMS. Section 5, in the formula question.

You would have a continuation of the present formula, but the addition of another formula for the specified additional amounts?

Mr. MCDONOUGH. Right. Instead of the discretionary, we would like to have a formula based on density, ridership, and so forth.

Mr. Gambaccini would like to comment on this in depth. He's been involved in it for many years and has some good insights.

Mr. GAMBACCINI. Five years ago, the transit industry favored ridership as the ideal basis for a subsidy because it has all the inherent

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qualities of providing the money where the need is, where the demonstrated productivity is. It had an incentive program. In the course of the legislative history, when we got to the subsidy program, population became the dominant factor or at least coequal with density.

The result has been that the systems in greatest need have received on a per capita basis the least kind of assistance. That would not be a problem except they continue to be in very desperate straits in making up the difference.

Our approach is that we certainly don't want to meddle with the the existing allocations and the formula obtained for them. There are certain expectations that all cities have made on the 5-year basis with that formula in place, but any add-on sums should be approached on a new formula basis.

It is our feeling that ridership, local self-help effort and density, some combination of those three or any one of those three, should be increased as a factor in that second-tier formula.

Your approach is a discretionary fund.

We could live with that as a possibility, if some large prescribed sum of that could be approached on a formula, allocation basis, in order to provide some predictability on the part of the recipients, looking ahead and budgeting, that they could know they would get some additional sum based on a formula well in advance. We recommend that the Secretary, on a discretionary basis like that, publish guidelines at least a year in advance of the allocation, so that cities then could compute what they could expect out of that additional supplementary operating subsidy.

Senator WILLIAMS. There is one way of gaging the impact of the present formula of distribution, would be to look at the riders, the cost—not the cost. The fare structure, within the areas of high ridership, which has not had the same return under section 5, for operating expenses, as the lower ridership areas, as Madison, Wis., where we saw a stationary fare and a low fare.

Senator WILLIAMS. We have three great metropolitan areas here represented. As you describe section 5, you have got a disproportionately low return. What has been your fare structure over the last 2 years?

I know a little bit about New York.

Mr. MCDONOUGH. The Chicago Transit System just had a very classic example of what happens in the fare structure if public funding of some form is not available.

(I might point out in the process that we carry 400 million riders a year, plus 200 million additional transfer-type riders. We have a system that allows transfer for payment of an additional dime for the transfer.) Our fare structure was at 45 cents and had been at that rate for some 6-plus years. Because the money was not available, on either the Federal or the State level to meet our operating needs, we were forced to increase the fares last September from 45 cents to 50 cents. We were experiencing a 4-percent increase in ridership throughout the year, and we had been experiencing a rather modest but at least some increase in the previous 4 years, but with the increase in fares by only a nickel in the first increase in some 6⅓ years, our ridership went

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down exactly to the formula that was predicted and we lost 4 percent ridership from September to the present.

I can't give you a more vivid description. I thought the mayor preceding us put it very well when he said that mass transportation must be funded. I can speak with some authority here because prior to becoming chairman of the CTA, I was commissioner of streets and sanitation for the city of Chicago. We had the responsibility for refuse collection, electricity and things of that type. They are funded the same way.

It is not all out of the tax dollars. There are Federal funds in there. Transportation has to be treated the same way. You can't go back to the fare box and I think we have proved it vividly. Every time you increase the fare you will continue to lose the people.

Senator WILLIAMS. Thank you.

Mr. GAMBACCINI. Senator, it may be difficult to try to relate the level of operating subsidy and fare as necessarily in any kind of relation. A fare is a composite of a lot of other elements—the question of local, political priority attached to transit; it is a function of a host of other unique historical factors that affect each city differently.

We have placed the emphasis on the subsidy being related to the rider. Nothing could be more basic or reflective of productivity and function.

Our fare has not changed on our system in 16 years. That is a peculiar, probably indeed a unique, situation from the rest of the country.

At the same time, our operating costs have gone up at least three times, 300 percent in the same period. The fare is a unique thing to our system, just as the fare in New York is unique to that city.

I think that any one of these cities must have local capacity to relate this to a series of local considerations, including service level, the whole system, and many other factors.

I think the focus should return to the question of subsidy in relation to the basic elements of ridership, developing to the greatest extent or some other dimension like a local effort that reflects productivity.

Senator WILLIAMS. Well, these historical questions that exist in New York, this is on the city's system rather than the fact. This gets a lot of attention. It seems there is always that pressure on the fare structure and you have to pull rabbits out of the hat in New York, as they do.

Mr. GAMBACCINI. One brief comment on that. I think we are hobbled as an industry by the outdated concept of deficit, subsidy, and fare. We are a governmental service.

In New York it can be said that the transit system serves many more purposes than the benefit to the individual rider, including energy conservation, air pollution control, and the like.

We get strapped, I do myself and certainly my colleagues do, because of the pressure of budget and how to meet the difference between revenue and expense and, therefore, the emphasis on deficits.

I think we have to enter a new way of looking at the question. Many European cities held to the notion that the fare box should generate a maximum part of the expense equation. They are veering away from

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that because they see in low fares the mobility, a whole host of other social benefits.

I think that we can quantify and demonstrate these kinds of things sufficiently to make it easier for political leaders like yourself to stand tall and quantify and improve these kinds of benefits; to that extent we will get the kind of public support that will permit not only these kinds of numbers but significantly larger numbers down the road, for both operating subsidies and capital.

Senator WILLIAMS. Coming back to your charts, net pledges and commitments.

What is your understanding of what the nature of those pledges and commitments are?

Is this a moral obligation? Is this an obligation that short of the contract should be cleared honored?

Mr. MCDONOUGH. Yes. I would say so within reason. I think there always has to be some flexibility in any system to take a look at what you are doing in a more current light.

I think the bill calls for an upgrading every 2 years, a reassessment, a reanalysis, even though you are making a commitment for a longer period.

We would favor that as a method of trying to deal with the realities as needs change and function changes.

Like for Atlanta, to commit for $200 million and not to honor it when they have gone perhaps 70 percent of the way or better it would certainly be a moral obligation in my eyes.

Senator WILLIAMS. That is a different category. That is a contract. I was thinking, like look at Detroit. That comes over here to this other chart under net pledges and commitments, over here it is shown as fiscal 1977.

Do all of those cities appearing and all of those commitments appearing there and the numbers assigned, they represent don't they, the same historical and painstaking process of application and revision and refinement?

In other words, they are not numbers that are just picked out of the air. They have been through the process.

Mr. MCDONOUGH. I think Mr. Stokes can comment on this but the answer is, obviously they were made in consultation in great discussion and in some cases many, many years, with the UMTA people.

A new administration might want to review some of those to get the experience of why they were selected, but certainly they were not just picked out of the air.

Mr. STOKES. Your point is correct, Senator.

There is some variation, I am sure, in the state of some of those projects, but your central point is absolutely on mark. That these are promises, commitments, pledges, call it what you will, it is the Federal Government or one of its major agencies dealing with a responsible local official in each area and on the basis of Federal pledges, promises, commitments, whatever they may be, whatever you want to call them, whatever they were called, gearing up plans for important public projects in those cities, based on this kind of discussion. I would say

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yes, even though you can't run them through the check canceling machine down at Riggs National Bank, they are almost that in terms of moral promises to proceed in a planned and conceived fashion with each of these cities.

Senator WILLIAMS. Really, in view of the full nature of coming to the commitment, all that has gone into it in the expectations when that commitment is made as an accounting matter, there should be a set aside of that fund—from the fund of that amount that has been committed.

Mr. STOKES. Yes, sir. We should be planning adequately, particularly in view of what Mr. Gambaccini said, we haven't even talked about the impact on energy and other things we don't even know about.

In view of what the charts tell us about the beginning of 1978, with the energy implications of this past winter, what more do we have to do, what more should we be prepared for, to fund for, for public transit to make its best commitment to the solution of conservation problems and the energy situation as we move along?

I think perhaps this disastrous winter we have had has finally brought home the fact that the energy problem is going to be with us and public transit must be counted on to play an ever-increasing role in the solution of those problems.

None of those things is reflected at all in the kind of thing we are talking about here this morning.

Senator WILLIAMS. As an accounting matter, as a segregation of authorized money, when the pledge is made, the commitment is made, as an accounting matter, there should be a set aside to honor that commitment.

Mr. STOKES. Yes, sir.

Mr. MCDONOUGH. That is correct.

Senator WILLIAMS. Excellent. Thank you very much.

[Whereupon, at 1 :45 p.m., the hearing was adjourned.]

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NATIONAL MASS TRANSPORTATION ASSISTANCE ACT OF 1977

FRIDAY, FEBRUARY 25, 1977

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS,
Washington, D.C.

The subcommittee met at 10 a.m., in room 5302, Dirksen Senate Office Building, Senator Harrison A. Williams, Jr., presiding.

Present: Senators Williams, Sarbanes, and Heinz.

OPENING STATEMENT OF SENATOR WILLIAMS

Senator WILLIAMS. We're ready to continue hearings of the Subcommittee on Housing and Urban Affairs on urban mass transportation.

We are pleased on this third day of hearing to begin with the Secretary of Transportation, Secretary Brock Adams.

Mr. Secretary, I, for one, am disappointed with your testimony this morning.

President Carter in his platform presentation to the Democratic Party's Platform Committee on June 16, 1976, states:

> Although the deterioration of urban public transportation services has been slowed since the passage of the Federal Urban Mass Transportation Act of 1964, and the subsequent amendments to it in 1970 and 1974, the gap between transit capital needs and available funding, as identified by the U.S. Transportation has grown to over $6 billion.
>
> Moreover, the Federal government often has encouraged one mode of transportation to the disadvantage of another. No coordinated transportation policy exists. While the Nation has an extremely well-developed rail, highway and aviation system, substantial parts of that system have deteriorated to the point where the efficiency and effectiveness of the total system is being compromised. Arresting this deterioration and completing needed work on new urban transit systems must become the Nation's first transportation priority.

I applauded this statement as did many millions of Americans. Even though you are only 1 month in your job, today in the Department's presentation—the first comprehensive statement made by the new administration on urban mass transportation before a congressional committee—it offers no specific continuing efforts, no new requests for increased capital grant authority, to "fill the gap between transit needs and available funding," and no new suggestions on how to arrest the deterioration, or to complete the needed work on the new urban transit systems which President Carter spoke of in his June 16 statement.

Even more disturbing is the fact that in President Carter's budget revisions for fiscal year 1978, $1 billion was added for highways in

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sharp contrast to the $100 million added for mass transit. This is but another example of dollars for highways and tokens for transit.

Witness after witness testifying before this committee during the past 3 days has emphasized the need for a new massive, long-term Federal commitment to urban mass transportation. Individuals from every area of our Nation have testified in support of S. 208—from the mayor of Madison, Wis., to the county executive of Greene County, Ala., from a State legislator from Rochester, N.Y., to transit operators from Chicago and Atlanta. All have stressed the urgent need for the prompt enactment of this legislation.

S. 208 is supported by the U.S. Conference of Mayors, the National League of Cities, the National Association of Counties, the National Conference of State Legislatures, the American Association of State Highway and Transportation Officials, the American Public Transit Association, the Environmental Action, Highway Action Coalition, and the Sierra Club. All of our witnesses have agreed that our urban mass transportation program is in a state of fiscal bankruptcy—that if no new long-term authorizations are forthcoming, transit starts throughout our Nation will come to a screaming halt.

Even the budget issue paper on urban mass transportation recently released by the Congressional Budget Office recognizes this fact. That paper states:

> As fiscal year 1977 began, UMTA's budget showed an unreserved balance of $8.7 billion. However, UMTA indicates that it has "earmarked" or made some form of commitment for all of these funds, leaving little or no money available for new initiatives.

Yet, the Department assures us that no immediate legislative action is necessary to ensure program continuity. When a pledge or commitment is made by the Federal Government, money must be immediately set aside to meet that commitment. We cannot rob Peter to pay Paul and we cannot commit ourselves to construct transit systems throughout our Nation without having money authorized or appropriated for that purpose. The numbers speak for themselves, and each witness who has testified before us, has attested that these figures are accurate. If, in fact, this administration intends to put an end to the concept of full funding, I, for one, will introduce legislation requiring that concept for all urban mass transportation programs.

In your prepared statement, you recommend a 5-year authorization cycle with continual review on a 2-year basis. This is the exact format of S. 208. However, the Department's statement contains no definite authorization or dollar figures. Without such figures the concept becomes nothing more than a paper promise. Likewise in discussing the formula grant program, the Department decries the use of a discretionary fund and states that "if there is a widespread feeling that the current formula is inequitable, we should work out a better approach." We all wish to know just what that approach should be.

Mr. Secretary, the figures contained in S. 208 are not new to you or to your staff. In September 1976, the staff of this committee began to communicate in detail with Chester Davenport of the Carter transition team concerning the exact figures contained in S. 208. And now, Mr. Davenport, after heading the transportation transition team, is your Assistant Secretary for Policy, Plans, and International Affairs.

Mr. Secretary, long-term authorization authority for the urban mass transit program has been the product of 8 years of bipartisan en-

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deavors between the Congress and Presidents Nixon and Ford and Secretaries of Transportation Volpe, Brinegar, and Coleman.

I, for one, cannot sit idly by and see this most critical of all urban programs go down the drain.

The need for affirmative action is obvious.

It has been testified to by every witness appearing before this committee.

I would now like to read to you a letter forwarded to the committee by Senator Magnuson of the State of Washington from Richard S. Page, executive director of Metro, municipality of metropolitan Seattle.

[The letter follows:]

DEAR SENATOR MAGNUSON: It is vital to the cities and metropolitan areas of this country that major new mass transit legislation be enacted during this session of Congress. Because substantial amounts of unobligated funds remain, some people argue that there is not an urgent need for legislation.

To assist urban areas in undertaking major capital projects, the Urban Mass Transit program has been administered on a "full funding" basis. Under this procedure, the Urban Mass Transportation Administration (UMTA) gives conceptual approval to a major project, for example, the $800 million commitment to the Atlanta subway. This contract authority is then informally set aside, with actual obligations following over the next several years. As a result of the increasing cost of projects and the rate at which tentative approvals have been made, UMTA's contract authority reserves have been depleted.

An analysis of these reserves shows that with no funds UMTA can barely:

Maintain the present level of transit bus grants to all transit authorities;

Complete the prior administration's commitment to construct segments of new systems in Atlanta, Baltimore, Philadelphia and Buffalo;

Formalize tentative commitments to begin capital support for the Miami or Detroit projects; substantial funding would be later than 1980.

This analysis also shows that UMTA cannot:

Formalize the tentative approval of a rail system in Honolulu before 1980;

Provide for any new commitments for a proposal already planned in Los Angeles, and those just being planned in Houston, Cincinnati and San Diego;

Provide for major improvements and expansion of systems in New York, Chicago and Boston.

Mass Transit is an essential element of any plan for the revitalization of our cities and metropolitan areas. If the UMTA program is to contribute, additional new funding authority is now required.

Great progress has been made by UMTA in developing methods of evaluating mass transit proposals. In Seattle as well as in other cities, this process has produced discipline in planning and evaluating of major transit projects. The result has been sensible proposals on a combined transportation-community development basis.

The lack of new authority would bring all of this to a halt. It is for this reason that I urge you to direct your attention to the question of new UMTA legislation as a top priority item. I commend to your attention S. 208, recently introduced by Senator Harrison Williams.

Now is the time for new legislation.

Sincerely,

RICHARD S. PAGE.

Senator WILLIAMS. Mr. Secretary, I can only conclude with the eloquent words of John Wright, chairman of the board of directors of the Metropolitan Atlanta Rapid Transit Authority:

We believe that the MARTA project is an example in microcosm of what S. 208 can mean to this Nation. With it we can continue our task. Without it we may slow to a stop when we're only halfway home.

Would you introduce your associates, Secretary Adams, and proceed with your statement any way you please.

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STATEMENT OF BROCK ADAMS, SECRETARY OF TRANSPORTATION, ACCOMPANIED BY MORT DOWNEY, DEPUTY UNDER SECRETARY; TERRENCE BRACEY, ASSISTANT SECRETARY FOR CONGRESSIONAL AND INTERGOVERNMENTAL AFFAIRS; AND ROBERT McMANUS, ACTING ADMINISTRATOR, UMTA

Secretary ADAMS. Thank you very much, Mr. Chairman.

On my left is Mr. Mort Downey, Deputy Under Secretary, who has specific responsibilities for budgeting and planning in the Office of the Secretary; on my right is Robert McManus who is the Acting Administrator of UMTA. As you know, we have not replaced the administrators. We are doing this as rapidly as we can but I wanted to explain that so you would understand why we're sort of right in between with our statement. On my far right is Mr. Terry Bracey, who is Assistant Secretary for Congressional and Intergovernmental Affairs and who will undoubtedly be dealing with members of your staff as we go along.

Mr. Chairman, I'd like to start by saying that I would like to place the entire statement in the record. Since I know it's been made available to you, I would like to refer to certain parts of it and then move to the charts so that we might go to a dialog and questions as rapidly as possible to see what differences we may have and where we are in agreement.

Senator WILLIAMS. We will certainly include your full statement in the record.

Secretary ADAMS. Thank you, Mr. Chairman.

[The complete statement follows:]

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STATEMENT OF BROCK ADAMS, SECRETARY OF TRANSPORTATION, BEFORE THE SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS OF THE SENATE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS, CONCERNING S. 208, FRIDAY, FEBRUARY 25, 1977.

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss the status of the mass transit program and to help initiate what I hope will be a productive and cooperative joint effort over the next year to develop the type of transportation programs that will serve the nation's needs into the 1980's.

This is an appropriate time to begin looking at the current program as the new Administration looks at all the issues and concerns that should govern our choice of a direction for the future. The President has asked me and all Cabinet officers to find ways to streamline and simplify Federal programs and the Federal establishment. We all share a goal of reducing the Federal involvement in local decision-making while we strengthen Federal support of necessary programs. We should also seek to simplify the mechanics for delivering Federal assistance and to increase local flexibility in setting priorities and using resources where they are most needed within a broad functional area.

Over the next year or so, transportation will be a major concern of the Congress and the Administration. The highway program authorizations and portions of the railroad assistance program will have to be addressed.

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We need to take a close look at the mass transit program in this broader context and should not foreclose options until it is necessary to do so. Fortunately, there is no urgent need to provide additional or extended program authorizations for the mass transit program before we have had this chance to evaluate our options.

I would like to discuss the status of the UMTA contract authority in order to assure you that no immediate legislative action is necessary to ensure program continuity. Statements by the previous Administration may have left the impression that the UMTA fund is over $1 billion in deficit. This was based on their applying the principle that the sum of outstanding program commitments not exceed the total of available contract authority. Under this full-funding method of accounting, $1.1 billion of new authority would have been needed to carry the UMTA program through this originally planned horizon year of Fiscal Year 1980, and to ensure the availability of enough contract authority at the end of Fiscal Year 1980 to fund the balance of outstanding commitments.

Soon after the passage of the 1974 Act, the Department was faced with demand for the approval of projects the combined cost of which was far in excess of the total authorization. Some observers incorrectly perceive the program as a one-time event and were uncertain about whether it

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would be extended and at what level, and many communities pressed for the approval of plans for complete systems, which would not be ready for funding for several years, in order to make sure they would not miss the boat.

Under these conditions, I think the previous Administration did the right thing in developing a policy statement to reassert the fundamental planning principles that should underlie major investment decisions. I endorse such a planning approach, which I understand has been worked out among the states, cities and Federal levels. I can also understand the past necessity and advantage of adopting a full-funding assumption in light of the perceived uncertainty about the future of the program. Clearly, no one wants a project to stop mid-way, particularly when its completion involves many years of careful planning and execution.

This Administration obviously views mass transit as a program which will continue for the foreseeable future. This view of the program, together with the new funding processes required under the Congressional Budget Act, allows us to modify the method for controlling program commitments. Instead of limiting advance commitments to the amount of Congressionally approved spending authority, new commitments will be controlled on the basis of their impact on the current and future year

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program authorization levels. As the annual funding requirements of some projects phase down, there will be room to begin new projects within the same annual program level; and if additional commitments are justifiable and required, program level increases can be made in order to accommodate them. What we avoid through this process is the mortgaging of the future. This multi-year approach to program management will avoid unanticipated sharp increases in future year budget requirements. This Administration's goal of a balanced budget within four years requires that we do a very careful job of managing not only the budget year but the full budget planning period.

Taking this new approach to managing the program, it is no longer necessary to set aside -- to freeze -- available contract authority to cover all existing future year commitments. Accordingly, the contract authority balance remaining under the 1974 Act is sufficient to carry the capital program through Fiscal Year 1979 -- even at the expanded program level proposed in President Carter's FY 1978 budget. Accordingly, it is not necessary to provide new authorizations at this time. Under the Budget Act, however, we will make authorization requests for Fiscal Year 1980 and beyond no later than May 15, 1978. We would like to use this interim period to evaluate our program options and consider alternative program structures which would contribute to

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the goals of simplifying Federal programs and increasing local flexibility and initiative in program use, as well as maintaining the Federal commitment to mass transportation. However, under most conceivable structures, much of the current discretionary capital grant program would likely continue as a free standing activity for which multi-year authorizations will be proposed.

The shift in the method of total program control, I referred to earlier, will not necessitate major changes in UMTA's policies and procedures for reviewing proposals for new multi-year commitments to major projects. After completion of the local evaluation of alternatives and compliance with our other requirements, we will work out a mutual understanding for those projects which merit funding. This understanding will be spelled out in a letter of intent to support the project. This agreement will form the basis for engineering, scheduling, initiating construction of the project and for planning the delivery of the intended Federal contributions. Such agreements took a variety of forms in the past. I propose that they be standardized and made a part of the public record.

As I mentioned earlier, the new procedures and constraints of the Congressional Budget Act will necessitate a change in the way the mass transit program is authorized and funded. Therefore, I would like to

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sketch out one type of funding process we are considering for major multi-year capital investments that I think would meet the objectives of the Congressional budget review process as well as provide sufficient assurance of program continuity.

Program continuity for major capital investments could be maintained by a rolling five year authorization cycle, in which appropriations are provided at least one year in advance. Every two years an authorization level would be recommended for the following five years based on continuing replacement and modernization requirements, construction schedules of major projects already underway, and estimates of new program needs. Each year an advance appropriation would be sought for the following year. This would provide a basis for advance planning without unduly compromising congressional fiscal options. The advance planning would be applicable to all projects, not just those proceeding on a multi-year basis.

Within the program structure I have described, there will be further opportunities to review the capital grant program level in specific stages of the rolling authorization and advance appropriations process. At this time, our best estimate for the Section 3 program level for fiscal years 1980 and 1981 is in the range of $1.4 to $1.75 billion a year. This estimate, however, will have to be refined in the context of the Administration's zero-based budget reviews and as more information and experience

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are gained from using increasingly significant transit funding sources such as Interstate transfers, Federal urban system highway funds, and Section 5 allocations. Moreover, the estimate may change as we obtain better data on cost escalation during the intervening period. Our future reviews will take these factors into account.

Now I would like to discuss some of the specific provisions of S. 208. One of the proposed changes to the Section 3 capital assistance program provides for the annual allocation by formula for equipment purchases of a fixed amount of the capital fund. In principle, I support the idea of allocating by formula a significant portion of urban transportation resources. It would minimize the Federal role in balancing competing claims for funds and enhance local programming. However, as we already afford priority to bus requirements and have been able to meet these requests, we would prefer to experiment administratively and then propose specific changes to the program.

With respect to the Section 5 formula grant program, we already have sufficient contract authority to carry the program through Fiscal Year 1980 -- except for the $125 million that was "borrowed" to finance the program during the Transition Quarter. We have no objection to restoring this $125 million at this time, but do not support providing authorizations now for Fiscal Years 1981 and 1982.

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Although S. 208 leaves the current formula unchanged, it establishes a separate fund of $250 million per year for discretionary capital and operating assistance. We strongly support the bill's endorsement of increased efficiency and innovation as objectives of the Section 5 program but we believe that, in light of the escalating level already provided for in Section 5 and the reversal by the Administration of the policy of seeking Federal controls over the use of formula funds, the additional funding is not justified. If there is widespread feeling that the current formula is inequitable, we should work out a better approach. One of the alternatives we will be considering is a block grant approach.

S. 208 deals with the possibility that some Section 5 allocations will lapse next September. Our current estimate is that less than 5% ($15 to $20 million) may lapse at the end of Fiscal Year 1977. We would not object to an amendment which allows such funds to be recycled and added to the total for apportionment in the next fiscal year.

Another provision of S. 208 would allow non-urbanized areas to use the $500 million set aside in section 4(c) of the Act to meet operating expenses as well as capital costs. We support the principle that non-urbanized areas be afforded the same flexibility in this respect as urbanized areas. Because we plan to consider the needs of rural and small urban areas

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as we develop our full program proposals over the next year, I believe action at this time might be premature. Also, any program addressing the needs of these areas should include some mechanism for coordinating the wide variety of Federally assisted transportation services currently provided in these areas under a number of social services programs.

S. 208 contains significant revisions to the provisions of the Urban Mass Transportation Act which deal with the transportation needs of our elderly and handicapped citizens. The current requirement in Section 16 that "special efforts" be made in the planning and design of mass transportation facilities and services would be made more specific by adding a requirement that mobility be available for elderly and handicapped persons in any urbanized area seeking Federal mass transportation assistance. This requirement would be satisifed if the applicant demonstrated detailed plans for either a wheelchair-accessible regular fixed route system within a reasonable time, or a substitute service that provided "comparable coverage and service levels." The Department supports this concept. We believe it is important to afford each local area flexibility in structuring the kind of service that best meets its needs, while assuring that rapid progress is made in making

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mass transportation services available to the elderly and the handicapped. This concept is reflected in the Elderly and Handicapped Regulations issued by UMTA last April. Those regulations require high levels of "special efforts" in behalf of the elderly and handicapped (particularly wheelchair users and semi-ambulatory persons), but leave to the local planning process decisions concerning the mix of accessible regular route service and substitute service.

We oppose the amendments that would establish a national advisory council on mass transportation for the elderly and handicapped and local advisory councils in every urbanized area seeking Federal financial assistance for mass transportation. UMTA regulations already include a strong requirement concerning the involvement of the public -- including the elderly and handicapped -- in the local transportation planning process. Furthermore, the establishment of such bodies is inconsistent with the President's objective of reducing the number of Federal advisory groups.

The bill contains a provision calling for reports to the Congress on funding needs of the mass transit program. I think the kind of biennial authorization cycle I outlined earlier would meet the objective of this provision, but if more is required I would suggest that it be called for as part of a periodic multi-modal assessment.

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Finally, there are three provisions in S. 208 which the Department supports without change. These are the revisions to the UMTA managerial training grant program; a new definition of the term "construction" to clarify that engineering costs are eligible items of expense in the capital program; and an authorization for conversion to grants of certain capital loans that were made early in the UMTA program.

Mr. Chairman, that concludes my prepared statement. Now I will be happy to answer any questions you may have.

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SECTION 3

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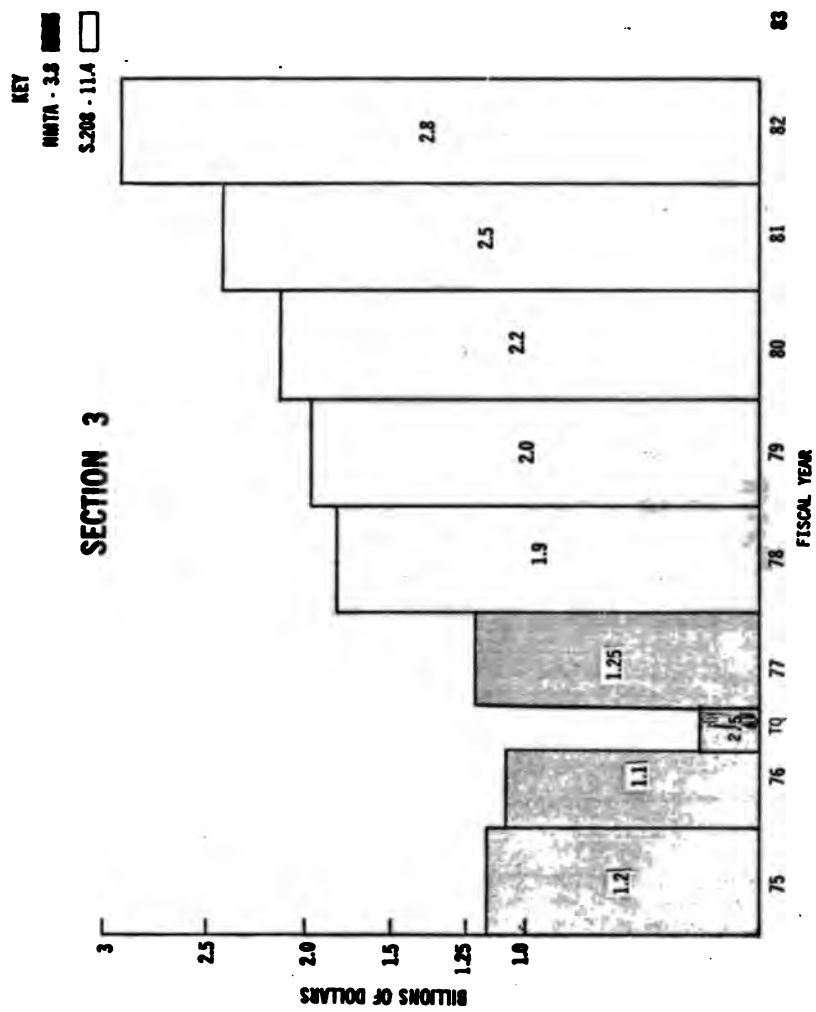

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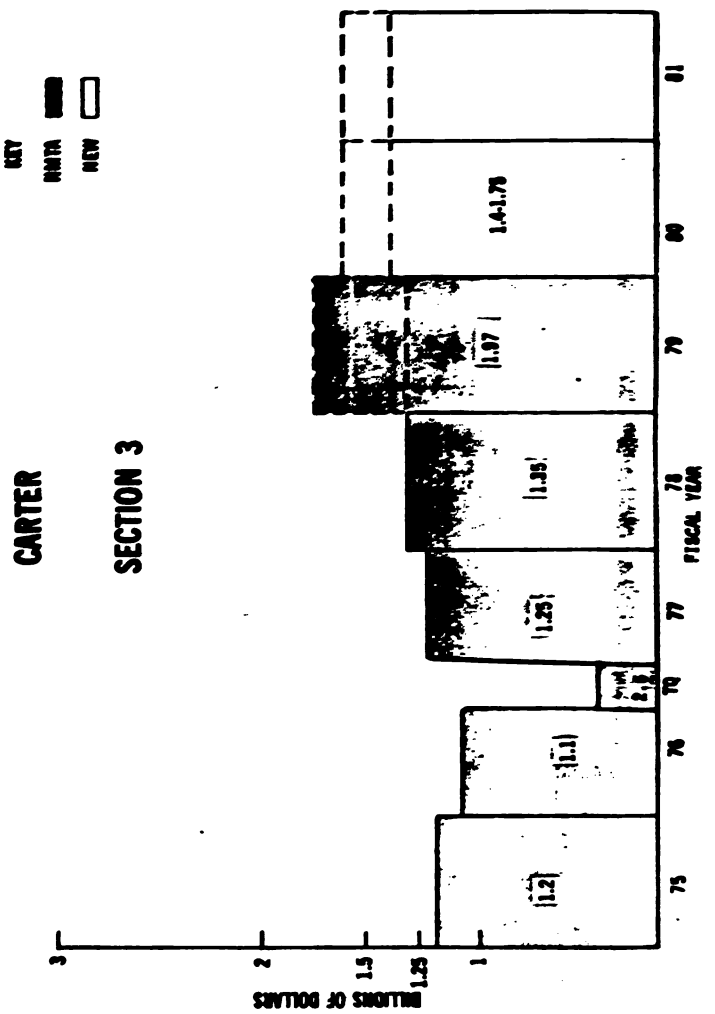

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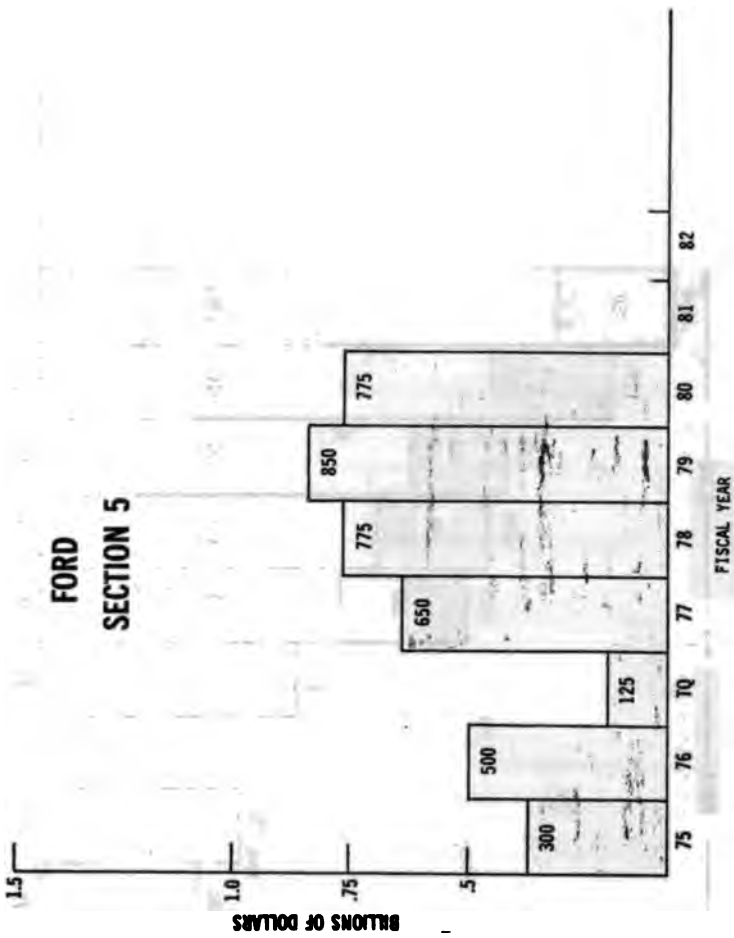

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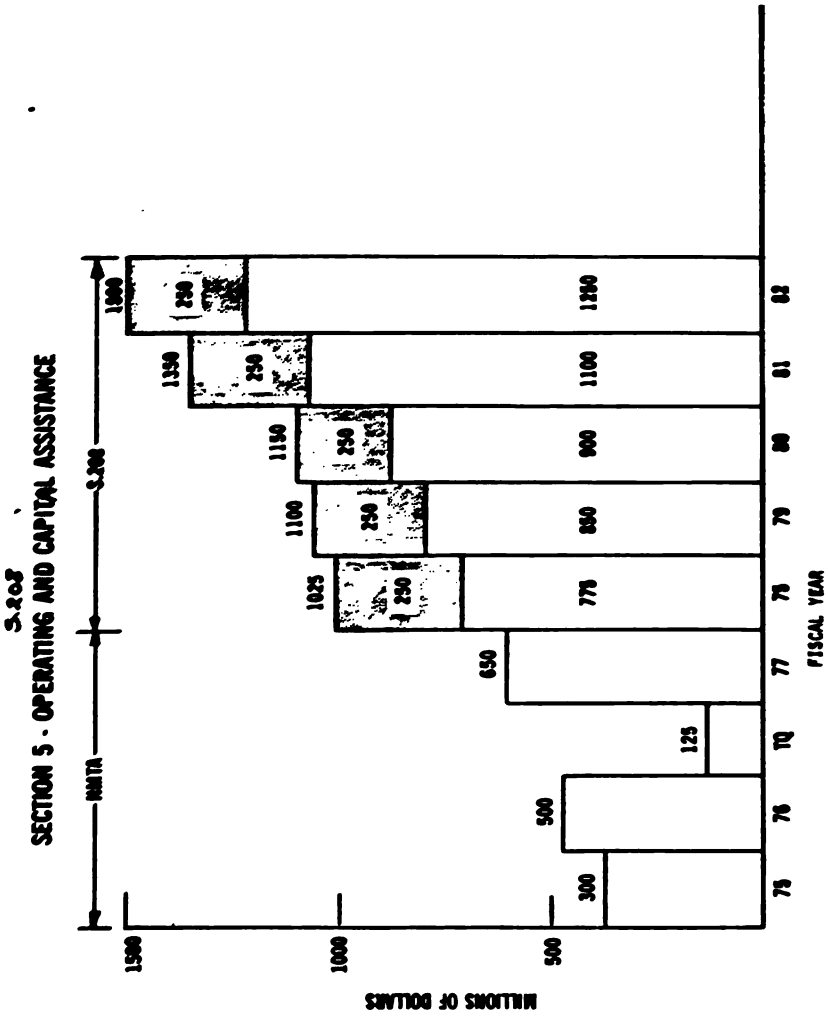

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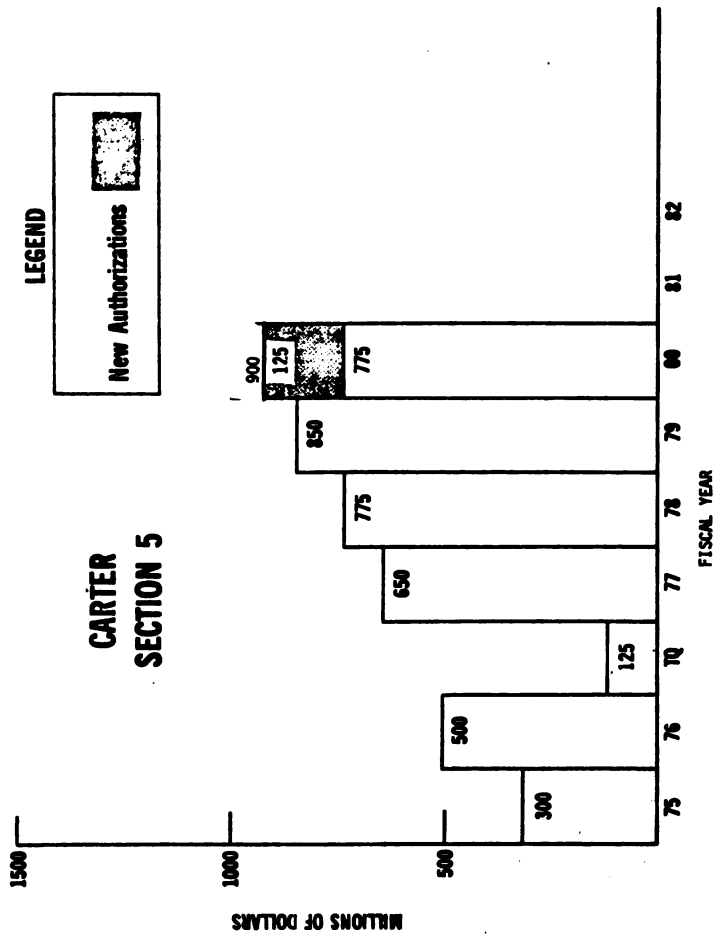

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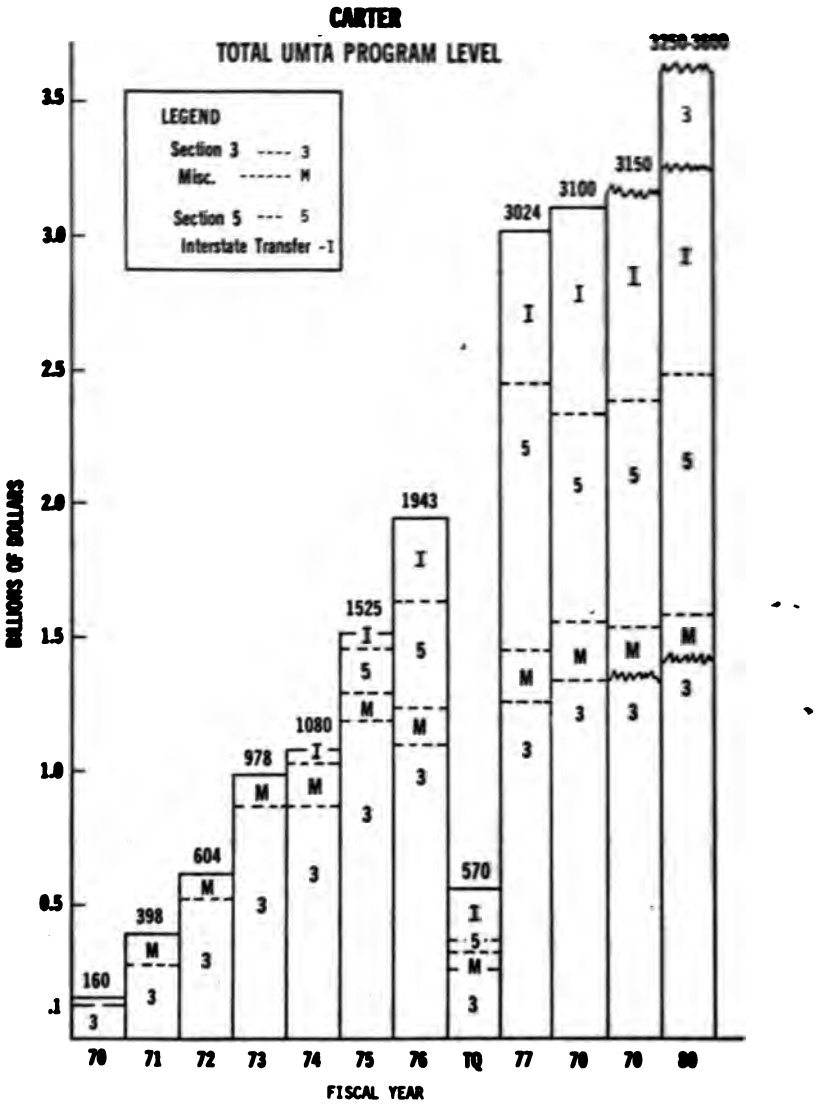

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Secretary ADAMS. I'd first like to state that this administration and myself in particular have a commitment to mass transportation. In fact, Boston was deliberately picked as the first place to hold our town meetings, not only because it's the home of the town meeting but also because Boston is extensively involved in an integrated mass transportation system involving not only the traditional subway and light rail but also rail corridors, and improvement rather than new construction of their highway system in the downtown area.

Senator WILLIAMS. I applaud that your town meeting was up there in Boston. While you were there, Boston was here, by the way.

Secretary ADAMS. I wanted you to know that the Department and the administration are fully committed to mass transportation and I'm hopeful that today we can begin to show how we hope the program will move forward.

Unfortunately, in these first few days of the administration we have been required to deal with one major—I guess the best way to refer to it is one hot potato issue after another. Since the series of commitments were made to look at highway and mass transportation programs, we have had a certain number of marine accidents take place and that is the reason we have not been able to spend with your staff and with yourself as much time as we would like to have spent prior to this and I want you to know that in the future we will consult with you and your staff at great length.

Our basic position recognizes the need to provide additional funds for mass transportation at some time. We agree with the concept that is in S. 208 and is required by section 401 of the Budget Act that when we go to a new type of funding, this new type of funding will basically involve a change from the so-called full commitment or freeze on funds for a 5-year period to a budget authorization system with what we hope will be a rolling 2-year appropriation system; in other words, appropriating a year in advance.

Now I would like, Mr. Chairman, at this point, to go to some charts and indicate where we are in terms of managing this program, because I think that we're obviously all dealing with the same cities and the same programs, but the manner in which we fund this new system, which I think will come into being during the 95th Congress, will show where our differences are.

When the Ford administration left, as you will remember, they had borrowed money from fiscal year 1980 and used it to cover the transition quarter section 5 grants. We have no objection to the provision in S. 208, which restores the money used during the transition quarter. With respect to section 3 programs, the Ford administration, in order to cover the future years, went at $1.25 billion for fiscal years 1977 and 1978, and then scaled down to $850 million for fiscal year 1979, to $550 million for fiscal year 1980, to $300 million for fiscal year 1981, to $200 million for fiscal year 1982 and to $166 million for fiscal year 1983 in order to meet the commitments they had made on a 5-year basis. This effectively freezes mass transportation grant programs for a 5-year period to the commitments that have presently been made.

We also understand that in order to do as the Ford administration proposed there would have to be new authorizations for fiscal years

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1979 and 1980 in order to meet the $1.25 billion Ford levels for those years. This is on the section 3 grants.

Now that is what has led to the concern and I think it's a legitimate concern of those interested in mass transportation that there isn't enough money in the program to carry out the 5-year program.

If we were to stay with the Ford concept, that would be correct. They were intending to propose simply to fill that in for fiscal years 1979 and 1980 and leave a freeze on new starts.

Now I don't think that that's what we want and we have moved from that position and said that this administration is not going to continue the Ford administration position of no new starts.

What is proposed in S. 208, and I use this to show the way that the program moves out, is that all contract authority would in effect be canceled, and we would go to this rolling appropriations system with budget authority going out through 1982.

Now I'm sure we'll probably have a series of discussions—I won't say quarrels—because on Capitol Hill when we debate these things they are not quarrels; they are discussions—as to the exact amounts that will go out through the coming years. But what we are trying to deal with now is the critical period from fiscal year 1977 through fiscal year 1979 to be certain we meet the commitments that are there and hopefully to leave some money so there can be at least the beginning of some potential new commitments.

What we're proposing—since we have arrived at fiscal year 1977 and it is locked in—is to increase the Ford administration's $1.250 billion for fiscal year 1978 by $100 million so we have some room in there to at least consider some new starts and not freeze the program indefinitely for the future. We are prepared—and in our written testimony have so indicated—to go from this figure of $1.35 billion for fiscal year 1978 to a figure that could be as high as $1.97 billion for fiscal year 1979 using current authority. For the years 1980 and 1981, we are not proposing actual figures at this point since we would like some more time before we do it. But we can project that we would be at least in the range of $1.4 to $1.75 billion. As you can see it is considerably above what we were left by the Ford administration and would begin to give us some flexibility in section 3 of the program.

Now with respect to section 5, we agree there should be some changes in the present formula. It's the feeling of the Department that rather than having it be discretionary, if the Congress in its wisdom wants to shift that formula toward more high ridership areas, they ought to tell us what they want us to do and if that's signed into law, then I can assure the chairman that this Department will carry that out. We are not going to try to frustrate the will of the Congress if they say that the ridership formula is better than alternative formulas.

I'm concerned about the formula being abandoned in favor of a discretionary grant system because it then throws it into a "who gets there first and with the most political muscle" situation and then you'll have to conduct a series of oversight hearings on a project by project basis to determine whether or not you like what we have done in terms of granting the money.

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We understand the concern of the committee which is that there should be a shift toward high ridership areas so that the amount of money per passenger is more fairly distributed. We just simply think that that's more of a legislative concern and should be done by the Congress rather than by a series of either administrative regulations or individual decisions.

Now the next question is whether section 5 should be amended as is proposed in S. 208, to extend authorizations through fiscal year 1982. Section 5 presently contains authorizations through fiscal year 1980. As I mentioned earlier we do not object to restoring the money that had been in effect borrowed by the Ford administration for the transition quarter but we do not support providing authorizations now for fiscal years 1981 and 1982, while we're looking toward the new plan of going out 5 years in advance and the total amounts of money become agreed upon both for section 3 and for section 5.

I wanted to indicate in this that we are not trying to in any way shortchange mass transportation and to do this we have simply indicated on the chart at this point the amounts of money that are going into the program and that we contemplate going into the program up through fiscal year 1980.

As you can see, we are keeping this out in front. We are not trying to squeeze people back to a year-by-year basis but we think what we need at this time is to go out through fiscal year 1980 which will let us meet all those commitments where we have the authorizations available as we have suggested in our testimony.

As you can see from the chart showing the program, it started with $160 million in 1970 and what we are proposing with the section 3, the section 5, the interstate transfers and the miscellaneous is that this program in fiscal year 1977 will go to $3.024 billion. It will go to $3.1 billion in 1978. Because we obviously don't have the fiscal year 1979 or 1980 budgets yet, we are only proposing in the area of $3,150 billion plus in 1979 and in the range of $3.250 billion to $3.600 billion in 1980. So there's a steady escalation as we go to 1980 which shows that we have a firm commitment to mass transportation. We intend to meet that commitment and to work with the committee on authorizations out in front. The reason that we have gone to the 1980 figure is that that begins to put in place the rolling appropriation proposals in a manner consistent with the Budget Act and so we can be prepared to support in the Appropriations Committee the 2-year in-front appropriations.

I should also indicate that we intend administratively, to move from the varying forms of committing contract authority, for example, letters of intent and the various kinds of differing documents that have been used to a more standardized approach. This is going to take us some time working with this committee and the other committees of the Congress. In order that grant applicants may have a standard and so we can move through the alternatives analysis, engineering and to construction in a more regularized form than the rather informal letters of intent and differing times of commitment, we would like to be able to develop a standardized approach. If we do this, since we already give a flow of information to the committee, we intend to file

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standardized letters of intent with the committee so that they will know what the form of the commitments really are and the status of each of the various cities or States or metropolitan authorities that have applied to us.

Now this will actually give us an opportunity to review, by us—I mean the executive branch and the Congress—what is actually happening in these programs once every Congress in other words, once every 2 years at least. As you're going forward with your authorization bill, you will have in hand the reports of the agreements that we have hopefully standardized with each city so that you will know whether or not there is sufficient money to meet the commitments because as we both know these programs move forward with varying rates of speed. Sometimes they get their engineering in very quickly. Sometimes their engineering comes in more slowly. Sometimes they struggle with the environmental impact statement. Sometimes the whole plan, like a people mover, has not really come to a stage in a particular city where they require the money. By freezing funds out for 5 years we prevent cities, who are prepared to move, from being able to use that authorized money because we have to freeze it in place for projects that will come on line at differing points. I'd like to use some examples from your chart—so that we can begin to indicate why we think this is the approach to proceed with. On your chart you have listed in fiscal year 1978 pending, starting with Los Angeles, Chicago, Boston, New York, Philadelphia, Honolulu, south New Jersey—you could add to that Detroit because there is a form of letter commitment out with a certain amount of money frozen for that and we do not even have an application yet.

Senator WILLIAMS. Now Detroit also appears under the column to the left in 1977. Is that what you're referring to or is this another application?

Secretary ADAMS. No. That was the point, Mr. Chairman, that I wanted to make with you. We do not have yet an application as such from Detroit. Where we are with Detroit is that there's $600 million frozen and set aside. We have the alternative analysis which was started in 1976, but we are not into either preliminary engineering or environmental impact statements, and certainly nowhere near a construction grant for that project.

Now I have, and we will submit to the committee so that it will have available—a sketch of the status of some of these projects indicating that we have sufficient money in the proposal we have made to cover everything for the next 2 years. In Chicago we are looking at construction on the O'Hare extension somewhere out in fiscal year 1979. In Pittsburgh and Boston we are just in the process of reaching the milestone of environmental impact statements and preliminary engineering grants, without contracts for construction being let.

On Boston with the blue line extension, which is the furthest advanced there, we are talking about potential construction contracts between fiscal year 1978 and fiscal year 1979. For the extension in Atlanta, our milestone for construction for the 13.7 miles, if it's finally decided they want to do that, is between fiscal year 1981 and fiscal year 1982.

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In short, Mr. Chairman, what we are suggesting in our testimony is that we agree with the principle that is enunciated in S. 208 of budget authorizations and with the rolling appropriations, but we would delay its implementation and take the moneys that we have available under the existing act which will cover us for fiscal year 1978 and fiscal year 1979. This will give us an opportunity to work with the committee, and before May 15, 1978, determine what should be done for the 5 years out in front which goes up through fiscal year 1982.

Now I just would close by saying we are well aware of the concern of the committee that this program be definite and that people with long lead times be able to meet them. We want to do all we can to work with the committee to accomplish those goals. It's just as you can see from what I have reported to you on the construction grants, the engineering studies, the alternative analysis, we do not feel we are in a position to peg in all those dollar figures out 5 years in advance at this hearing when we are 35 days into the administration.

[Material received from the Department follows:]

STATUS OF MAJOR FIXED GUIDEWAY PROJECTS

The attached charts describe the current status of all major fixed guideway projects that UMTA is involved in as of March 18, 1977. According to the September 22, 1976, policy statement, Federal decisions will be necessary before projects may proceed to the next stage. There are generally three major stages:

(1) Alternatives analysis studies (AA);
(2) Preliminary engineering/EIS circulation (PE); and
(3) Construction.

The milestones on the charts indicate approximately when the next decision will be made for each project. It should be noted that these charts may not include projects which: (1) are considered to be modernization/rehabilitation; (2) are not expensive enough to be considered "major"; or (3) are not ready for a stage 1 decision yet.

It should also be noted that these charts include projects funded by Interstate transfer funds as well as UMTA Section 3 funds.

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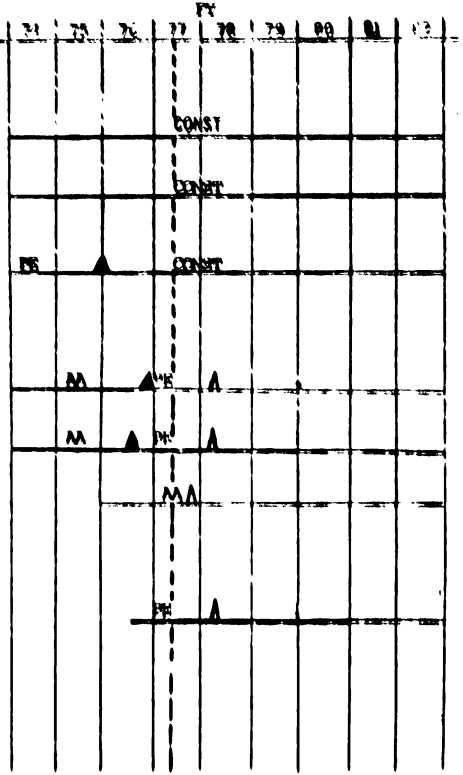
FIXED GUIDEWAY PROJECTS

IDENTIFICATION	DESCRIPTION	EXISTING FED. COM.	TOTAL COMMITS TO DATE
NEW STARTS			
FORMAL PLEDGES			
ATLANTA	13.7 miles of heavy rail	$800 mil ($120 pre NMTA)	$692 mil.
BALTIMORE	8.5 miles of heavy rail Phase I-Northwest Leg	$573 mil. ($73 pre NMTA)	$249 mil.
PHILADELPHIA	Center City Commuter Connection	$240 mil.	$25 mil.
COMMITMENTS IN PRINCIPLE			
BUFFALO	6.4 miles of light rail	$269 mil.	$8 mil.
MIAMI	16.5 miles of heavy rail	$575 mil.	$15 mil.
DETROIT	Alternatives analysis now underway will determine recommended transit system	$600 mil.	
DPM	Automated systems in St. Paul, Cleveland, Houston, L.A.	$220 mil.	



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IDENTIFICATION	DESCRIPTION	EXISTING FED. COMM.	TOTAL GRANTS TO DATE	FY 74	75	76	77	78	79	80	81	82
	MODERNIZATION AND EXPANSION											
NEW YORK	E. 63rd Street - 3 miles	$322 million - Potential for add'l $208 mil.	$322 mil.				CONST					
	Archer Ave. - 2.5 miles	$125 mil. Potential for add'l $140 mil	$125 mil.	PE			CONST					
	Super Exp. in Queens - 6 miles	None existing Potential for $545 mil.						PE				
NE NEW JERSEY	PATH Extension to Plainfield - 17 miles	$157 mil.					PE					
	Erie/Lackawanna-upgrade 74 miles	$212 mil. ($3 pre NMTA)	$118 mil.			PE						
	N.Y. and Long Branch Upgrade - 17 miles	$110 mil.					PE					
CHICAGO	O'Hare Extension-7 miles of heavy rail	$110 mil.				PE						
	Franklin St. portion of CUTD	None existing Potential for $400 mil. or more Possible Interstate Transfer	$8 mil.				PE					
	Rail Modernization	$99 million	$10 mil				PE					

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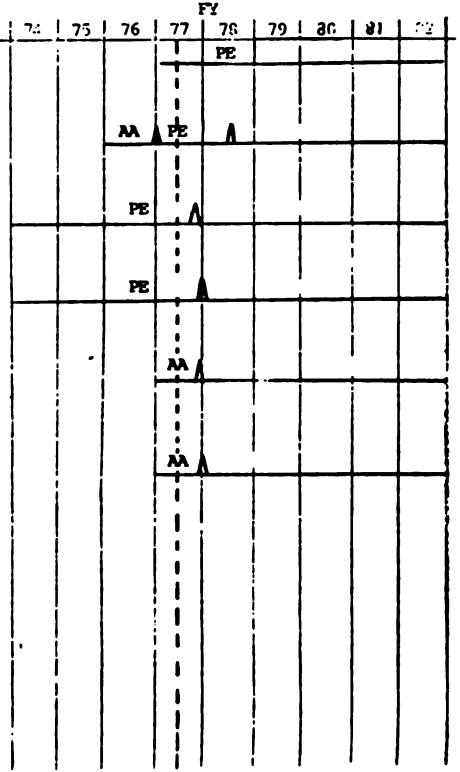
FUNDED CURRENT PROJECTS

IDENTIFICATION	DESCRIPTION	EXISTING FED. COMM.	TOTAL FED. TO BE
CLEVELAND	Modernization and Extensions	$55 mil. Potential for add'l $45 mil	$55 mil.
PITTSBURGH	Light rail modernization First stage 10 miles	Potential for $176 mil. first stage	
BOSTON	Red Line extension to Arlington	Interstate Transfer of $309 mil. proposed	
	Orange Line relocation	Interstate Transfer of $380 mil. proposed	
	Blue Line Extension	Interstate Transfer potential for $100 mil.	
PHILADELPHIA	Frankford EL and other Modernization and Ext.		



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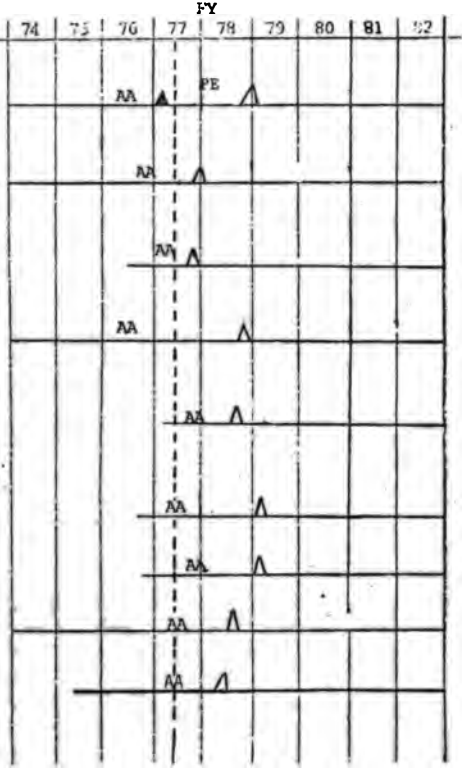
FIXED GUIDEWAY PROJECTS

IDENTIFICATION	DESCRIPTION	EXISTING FED. COMM.	TOTAL GRANTS TO DATE
POSSIBLE NEW STARTS AND EXTENSIONS			
HONOLULU	7 to 14 mile medium capacity fixed guideway	Potential for $350-475 mil.	
SAN JUAN	15 miles of heavy rail (Bayamon Cresent)	Potential for $640 mil.	
BALTIMORE	Phase II	Potential for Interstate Trnsf.	
LOS ANGELES	15 mile heavy rail line	Potential for $800 mil.	
PORTLAND	Light rail or busway	Interstate Transfer-Potential for $100 mil.	
ST. LOUIS	Not defined		
SEATTLE	Busways and CBD Dist.		
PHILADELPHIA	DRPA Extensions-18 miles		
ATLANTA	Heavy Rail Additional 8.5 miles	Potential for $300 mil. PE underway from prior grant	



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UMTA COMMITMENT STATUS
(millions of UMTA dollars)

	Total Commitment	Obligations Pre-NMTA	NMTA Commitment	Obligations to 3/1/77 under NMTA	Balance
A. Formal Sum-Certain Commitments					
City Description					
1. Baltimore -8.5 mile, heavy rail	573	73	500	176	324
2. Atlanta -13.7 mile, heavy rail	800	120	680	571	109
3. Philadelphia -Center City Tunnel	240	—	240	25	215
Subtotal (A)	1613	193	1420	772	648
B. Commitments in Principle (new starts, modernization, extensions)					
1. Buffalo -6.4 mile, light rail	269	—	269	8	261
2. Detroit -undetermined	600	—	600	—	600
3. Miami -16.5 mile, undetermined	575	—	575	15	560

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	Total Commitment	Obligations Pre-NMTA	NMTA Commitment	Obligations to 3/1/77 under NMTA	Balance
4. No. New Jersey	479	3	476[1]	115	361
-PATH extension to Plainfield	(157)	(—)	(157)	(—)	(157)
-Upgrade of Erie Lackawanna	(212)	(3)	(209)[1]	(115)	(94)
-Upgrade of NY and Longbranch	(110)	(—)	(110)	(—)	(110)
5. Chicago	209	—	209	10	199
-7.6 miles, heavy rail extension to O'Hare	(110)	(--)	(110)	(--)	(110)
-Modernization Program	(99)	(--)	(99)	(10)	(89)
6. Downtown People Movers	220	—	220	—	220
-Houston ($34M)					
-Los Angeles ($100M)					
-St. Paul ($45M)					
-Cleveland ($41M)					
Subtotal (B)	2352	3	2349	148	2201

[1] Includes $76 million committed prior to UMTA's Sept. 1976 letter to Commissioner Sagner.

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	Total Commitment	Obligations Pre-NMTA	NMTA Committed	Obligations to 3/1/77 under NMTA	Balance
C. Commitment under Bus and Paratransit Program					
1. Denver	100[1]	—	100	20	80
2. Seattle	124	36	88	50	38
Subtotal (C)	224	36	188	70	118
Subtotals					
A. Formal Sum-Certain Commitments	1613	193	1420	772	648
B. Commitments in Principle	2352	3	2349	148	2201
C. Commitments under Bus and Paratransit Program	224	36	188	70	118
Subtotal	4189	232	3957	990	2970
D. Other Bus and Rail Grants					
1. FY 1975			870	870	
2. FY 1976			688	688	
3. TQ			210	210	
4. FY 1977 to date			164	164	
Subtotal (D)			1932	1932	
Grand Total			5889	2922	
Available under NMTA, 7125					
uncommitted			1236		
unobligated				4203	

[1]Federal investment in the range of $100-$200 million in improved bus system committed.

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Senator WILLIAMS. Well, now, I appreciate that last point particularly, Secretary Adams. There has been a limited time for the new administration to fully understand what it inherited in terms of the nature of commitments of the prior administration. Of course, we are a continuing body on this and you're a new entity, as the new administration, but we have been part in our overview and oversight review of what the prior administration did and we know that we have to accept the commitments that have been made and the charts that we have here bring us fiscally to where we are today. If those commitments are to be honored we are faced with an absolute need to move with legislation now.

I think maybe it might help at the beginning, Secretary Adams, to have a glossary of terms here. We have some terms here that are rather unique to transportation. Contract authority used to be more general than it is today, but in this area and in many areas it is no longer in application, but it is here. Do we agree on that? We do have contract authority opportunity in the urban mass transit law?

Secretary ADAMS. The existing law has contract authority and the Budget Act did not remove it. If you go with a new statute that wipes out contract authority, as is proposed in S. 208, new contract authority will not be allowed after 1977.

Senator WILLIAMS. Now where do we stand with respect to all of the metropolitan areas that have now received notices from the Department as to their applications as we described it over here, net pledges and commitments? What is their status today?

Secretary ADAMS. Their status if the present law remains in effect is that they will all be covered, but there's no room for any new commitments to be made to anyone.

Senator WILLIAMS. That's where we are right now?

Secretary ADAMS. Right now.

Senator WILLIAMS. Well, that's the way our statistical analysis shown on the chart shows it. We're talking now of the beginning year of 1978 and we're down to a position where you have no authority to make commitments beyond; is that right?

Secretary ADAMS. That is correct.

Senator WILLIAMS. And that is, of course, we agree, where our concern is now. In the glossary of terms for understanding and definition, the prior administration—I took this off as you spoke—you said wanted a freeze on new starts. Now I didn't understand that.

Secretary ADAMS. The Ford administration, after they had committed all of the money through a 5-year program, indicated in their budget that there would have to be a moratorium on new starts.

Now in the Carter budget amendment we have removed that and said we don't believe in that. That was why we went in to get some new money beyond the Ford budget for this coming year, in other words, fiscal year 1978, so we could at least consider some planning and meeting some commitments on, for example, applications for buses. We did't get much.

Senator WILLIAMS. That's the $100 million?

Secretary ADAMS. That's the $100 million.

Senator WILLIAMS. Now the Ford administration had a freeze on new starts and the facts of life under that administration was they had been through the analysis and alternative analyses with all of the

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cities shown on the chart and had after all of that—and some were long and painful I can assure you—came to these net pledges and commitments that put a freeze on new starts because it committed available authorizing moneys; is that right?

Secretary ADAMS. That is correct.

Senator WILLIAMS. Now I'll have to say that they did not at that time expect that that would be the end of the road. At that point they knew that they wanted to be back here sitting where you are supporting legislation that would keep the program alive with advance authorization. This was Secretary Coleman's position, and I think with what you describe as rolling appropriations——

Secretary ADAMS. Mr. Chairman, this is my understanding of it as I have analyzed it—they were going to come back and ask for just enough money to be sure they had covered the pledges they had already made.

It is our analysis that if every commitment that was made by that administration had been met, they would have been short. So they were going to come in and ask for enough money to cover that.

Now we don't take that approach. Our approach is——

Senator WILLIAMS. Well, now, I'll tell you, this is not my understanding from mostly informal discussions with Secretary Coleman when he was in office. But I will say you're in a position to know more because you were the inheritor of all of the departmental materials and I'm not. But in our discussions that was not the position he took with me. He knew there would be the necessity for new legislation this year.

Secretary ADAMS. Well, they would have needed new legislation within at least 3 years.

Senator WILLIAMS. To meet their commitments already made, it was my understanding from him that he was talking about authority to go beyond those commitments to a continuing long-range program.

Secretary ADAMS. Their problem was this: Under the existing law with the full funding concept, which we are in the process of trying to change with this committee, the money is frozen out through 5 years. Therefore, as shown on the chart, what he was doing was, as the blue shows, meeting the commitments as they went out through the 5 years, through 1983; in other words, as they phased down. Now, his problem was that having made these commitments, as shown by the yellow, with the money frozen so that they could not touch money that had been frozen out for 5 years, under the existing law they would have been short $400 million in 1979 and $700 million in 1980 and they would have been up to try and get that. That's under the present law and that's all we know that they had made any commitment to do and that was their budget proposal. That was expressed in the Ford budget document that came to the Congress in January of this year.

Senator WILLIAMS. Well, I don't know whether it is necessary to argue what they would have done. I was told certain things. Secretary Coleman made a statement in San Francisco. The problem is ours, not theirs.

Secretary ADAMS. Correct. I agree completely with that.

Senator WILLIAMS. One other thing. You state clearly that the full funding approach is—it is your desire to work out of that as an approach. Now here I think we might have from where I sit—a basic

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disagreement. Full funding means to me that when you have gone through the labyrinth with a metropolitan area like Buffalo and it's a long journey and the prior administration used that alternative analysis too, you know—long journey—and say, all right, this is what we're going to commit to, this is your application and we will commit $269 million. Now full funding means to me that when that commitment is made to Buffalo that they can proceed with a certainty that they are going to get it—in other words, engineering, development, and all of that, within their budget, within that amount, they can proceed with certainty. Is that full funding in your understanding?

Secretary ADAMS. Not quite. In other words, full funding under the present law means that when you make the commitment to Buffalo you freeze the contract authority and it cannot be used for another project even though Boston's construction may be delayed or may not come on line when you expect it to.

We are proposing to do the same thing in terms of full funding or going out 5 years as has been done in the past, only we anticipate doing it under the new laws by authorization. In other words, this committee would have before it a list of the commitments made and would know that whatever authorized figure you put out as you rolled your authorizations forward 5 years that that amount of money was committed. Then you could examine how much money you wanted for new starts as opposed to what was committed, but each 2 years we would be appropriating the amount of money necessary to fund those projects in those fiscal years rather than having to in effect appropriate and budget the money that would not be spent for 3 years out in the future.

That is the difference which is in S. 208 and which we support and I understood the committee supported. It's the new rolling authorization, plus rolling appropriations.

Senator WILLIAMS. That in part, but it is my hope that when the Administrator says to Buffalo: "We now have accepted your application and you can count on being funded," that notwithstanding a delay for any reason—maybe an awful tough winter in Buffalo and it might put them back 6 months—that they would not lose that.

Now as I understood what you just said, if they are delayed 6 months, maybe 1 year—maybe it's the worst winter in history and sunny Boston could accelerate—the authority amount could be shifted. You know, here's where we're going to end up here. It impresses me—and you're more of an authority on budget committees and appropriations than I, but we are in a position where you are using a certain sum of money twice and how are we going to catch up here and keep faith with Senator McClellan in appropriations.

Secretary ADAMS. No. In other words, if this committee passes a new statute and the House does and it's signed by the President, the old system of contract authority will be out and gone. But we propose that the letter of intent, which will be filed with the committee, will give Buffalo, in this case, its money for the 5-year period and if when we appropriate that year it doesn't get built that year it will be appropriated for the next year. In fact, it will be 2 years out in front. They don't lose their money. It's simply that this committee and the whole Congress appropriates on a 2-year basis of what they are spend-

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ing, not what may be spent some time in the future because that is the whole new budget process that we have now. This committee will determine how much money for existing commitments must be in the authorizations out 5 years. It has to be done by March 15 each year and the appropriations committee will be 1 year out in front. We will be doing 2 years appropriations at one time to be certain everybody gets their money during the summer. In other words, we're not going to change the system of commitment.

Senator WILLIAMS. At the end of the line, the problem that I can see for us—the authorizers—is that we will be faced with the situation of having to go to the appropriations committee and the appropriations committee says, "No."

Secretary ADAMS. The problem, Mr. Chairman, is that they can do that right now and if the law is changed—in other words, if this is grandfathered in—the contracting system, contracting authority——

Senator WILLIAMS. We haven't had that under the system we have.

Secretary ADAMS. That's correct. There's a new system and that is the problem that we in the executive branch and yourself in the Congress face. There will be a new system whenever you change this statute, not by this statute itself, but by the general budgeting system that the Congress has adopted. I'm trying to do the best I can to get it as far out in front for each city as possible so that the authorizations will be there and so that the appropriations will be at least 2 years in advance. That's as far as we can go under the act—to appropriate for 1 year and then advance appropriate for the second year.

Senator WILLIAMS. Let me yield to Senator Sarbanes.

Senator SARBANES. Thank you, Mr. Chairman.

Secretary Adams, I just want to get a couple things straight here. There was one chart that shows the Carter UMTA program. I think it was the last one you put up.

Secretary ADAMS. Is that the one, Senator?

Senator SARBANES. Yes. I understand you project putting in $3.024 billion into urban mass transit in fiscal 1977.

Secretary ADAMS. That's correct. That is what is in place now.

Senator SARBANES. In fiscal 1978 you're going to $3.100 billion, right?

Secretary ADAMS. That's correct.

Senator SARBANES. What do you expect the inflation rate to be between 1977 and 1978?

Secretary ADAMS. It's running now about 5 percent.

Senator SARBANES. So that's a program cut?

Secretary ADAMS. It is not a program increase. It's about dead even.

Senator SARBANES. Well, I figured it out to have an inflation rate at under 3 percent for it to even be even. So in substance, what you're projecting out is a program cut in fiscal 1978 and again I think in fiscal 1979.

Secretary ADAMS. No. For example, take the MARTA program in Atlanta. It is on fixed contracts and is not suffering from an inflationary increase. With the programs that are in place with fixed contracts—in other words, with longer term contracts, we do not have the standard inflationary factor. The general rate has been running around 5 percent. The statistics for last month were higher than that

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but that was not specifically applied because you have to take this on a project-by-project basis and look at their contracts.

Senator SARBANES. Well, could we get from you a statement that dealt with those projected program levels relating them to inflation?

Secretary ADAMS. Yes. We will provide that for you, Senator.

[The following material was received from the Department:]

COMPARISON OF FISCAL YEAR 1977 AND FISCAL YEAR 1978 UMTA PROGRAM LEVELS

The amended UMTA budget request currently before the Congress indicates a fiscal year 1977 UMTA program level of $2,753 million and requests $3,075 million for fiscal year 1978. Thus the overall budget calls for a 12 percent increase. However, specific categories are affected differently (detailed below) and an adjustment to deduct prior year carryover funds from the fiscal year 1977 column, produces an actual total increase of 16 percent.

Section 3 capital assistance

The discretionary capital grant program constitutes the largest portion of the UMTA transit assistance. The three major categories all increase between fiscal year 1977 and fiscal year 1978:

[Dollar amounts in millions]

	Fiscal year—		
	1977	1978	Change (percent)
Bus and paratransit	$310	$340	+10
Rail modernization and expansion	456	515	+13
New starts	484	495	+2
Total	1,250	1,350	+8

The new start category consists largely of existing commitments for new major fixed guideway projects, for which total dollar levels, including provisions for inflation, have been defined. Thus, inflationary changes have already been accounted for, and the remaining portion of the program increases at 12 percent between fiscal year 1977 and fiscal year 1978. To the extent that inflation is less than this value, this represents an expansion of the capital program.

Section 5 formula assistance

Contract authority for this program is provided in NMTA, subject to annual limits on appropriations. In both fiscal year 1977 and fiscal year 1978 the entire authorization is requested. The fiscal year 1977 approval level is also inflated by carryover from unused prior year entitlements.

[Dollar amounts in millions]

	Fiscal year—		
	1977	1978	Change (percent)
New authorization	$650	$775	+19
Total approvals	750	775	+3

Note: This represents a program increase of nearly 20 percent, based on the amount of new apportionment.

Interstate transfer

This category of the program is initiated by State and local governments under provisions of the Federal-aid Highway Program. Estimates for fiscal years 1977 and 1978 are $575 million and $775 million respectively. This program is sheltered from inflation because the entitlement associated with an Interstate highway segment continues to escalate with inflation until a substitute project is approved. The fiscal year 1978 estimate therefore represents a real increase of 35 percent in addition to inflation.

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Other items

This category combines the other UMTA programs (R. & D., university research, managerial training, administrative expenses, the special commuter rail operating subsidies, and transit projects using urban system highway funds). Overall, this category declines by 1 percent, with the regular UMTA programs increasing 18 percent while the emergency commuter rail program phases down 45 percent, reflecting the legislated withdrawal of federal participation as localities gain ability to program funds to meet these needs.

TOTAL PROGRAM LEVEL, ADJUSTED SUMMARY

[In millions of dollars]

	Fiscal year—	
	1977	1978
Sec. 3	1,250	1,350
Sec. 5	650	775
Miscellaneous	177	175
Interstate transfer	575	775
Total	2,652	3,075

Note: The adjusted total, therefore, represents a 16-percent increase over fiscal year 1977.

Senator SARBANES. In other words, if you say to me that it's iron-tight and there's no inflationary factor at work, then you have a growth of $76 million, which is not very much, but in any event it's a growth. I can't believe that it's all shielded against inflation. It seems to me you've got a program cut there.

Secretary ADAMS. It is not, Senator, shielded against inflation. That's the purpose of having the rolling authorization and appropriations, so this committee can look specifically at what has happened.

Senator SARBANES. I don't want you to shift it back to us. I want to take your figures and just deal with those figures and that chart and find out what you have done there with respect to inflation.

Secretary ADAMS. We'll give you those figures, but what is being proposed in S. 208 and what we are commenting on, is that this committee would be reexamining the 5-year authorization because we are talking about 2 years out beyond this fiscal year and determining whether there was sufficient money. That's why I stated early on in my statement to the chairman——

Senator SARBANES. But that's your projection of what you want, isn't it?

Secretary ADAMS. I have asked my budgetary man and fiscal year 1977 is actually distorted because the section 5 money in that particular year, as you can see from the yellow line on the chart, is picking up money from prior years. The 1977 figure is higher than it would ordinarily be and indicates that there isn't as much growth as there really is in the program.

Senator SARBANES. Wait a second. Let's just take that chart because I hope we can agree on the factual situation. I see section 5 moneys in fiscal 1977 as being smaller, not larger. Isn't that correct?

Secretary ADAMS. You're correct. They have colored the chart wrong. The chart runs from the bottom with section 3 on the bottom, the miscellaneous next, section 5 the next, and the interstate transfer riding on the top. If you will examine that you will see that the section 5 I was referring to fits in that fashion.

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Senator SARBANES. You mean the yellow colored part of that chart?

Secretary ADAMS. That is section 5.

Senator SARBANES. Which is the third item up from the bottom and the second item down from the top, which if you look at your color key is interstate transfers, is not interstate transfer but is section 5. Is that correct?

Secretary ADAMS. That's correct. In other words, it works from the bottom up just as with the bill. In other words, you have the section 3 money, the miscellaneous money, the section 5 money, and the interstate transfer money riding on the top.

Senator SARBANES. Well, at least you're making some headway.

Secretary ADAMS. Yes. I'm glad.

Senator SARBANES. Well, let me still come back to the question with respect to the total amounts because you have the same problem between fiscal 1978 and 1979 dealing with the inflation and at that point I take it there's no contention that there's a distortion present. Is that right?

Secretary ADAMS. That's correct.

Senator SARBANES. Now you're projecting program levels that go from $3.1 billion to $3.15 billion?

Secretary ADAMS. We have not made a proposal on section 3. We have indicated where we are now but we have not put together a fiscal year 1979 budget request, because that's part of what we're talking about right now as to where we will go with this program. As it sits now, that's where it is. In other words, if we don't change anything, if nothing happens in this committee, that's where we'll be.

Senator SARBANES. Then that chart is not projecting what the Carter administration position is with respect to program level; is that correct?

Secretary ADAMS. Not beyond fiscal year 1978. That's what we indicated in our statement. We are prepared to work with the committee. We can't tell you what the amounts will be. We're trying to give you minimums of what we know we can do at this point, but we have not put together fiscal year 1979 because we are going to use a zero-based budgeting approach then.

Senator SARBANES. Wouldn't it have been better to have left 1978 and 1979 off the chart then?

Secretary ADAMS. We were required to compare them to the other figures that have been listed. You will notice that the tops of the years 1979 and 1980 are open ended. In other words, we have simply given a bottom line figure there. We have not said that's where it will end up. We assume a bill is going to pass by fiscal year 1979. At that point we will have an authorizing authority and we will be prepared to come up with appropriations to meet that.

Senator SARBANES. At a minimum, I don't think it ought to be called the Carter total UMTA program level.

Secretary ADAMS. Well, it is to this point.

Senator SARBANES. I understand that point and let's leave it.

How do you determine the amount contained therein for interstate transfers which I take it is the green colored part and not the yellow colored part; is that correct?

Secretary ADAMS. We have not gone to specific projects. We have had to make assumptions, because the decisions take place in the indi-

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vidual States as they decide whether or not to take segments off. So our figures are based on the estimates of what has occurred up to this point. Now that interstate transfers figure obviously will vary, depending upon what the individual States and cities do in making their determinations of whether they want to move interstate funds into the mass transit program. But that's the level it's been running at and that's the level that is presently in the interstate transfer account which, as you know, is general appropriations as opposed to trust fund.

Senator SARBANES. What are the premises that make it reasonable to use as an estimated size what it has been in the past other than the fact that that's what it's been? Is there some other premise at work with respect to what you anticipate the transfers to be that make that reasonable?

Secretary ADAMS. We have fairly firm 1977 commitments and presentations to the Department for fiscal year 1977 and fiscal year 1978 as to what cities and States propose to do in the area of interstate transfer. The total amount we're talking about, in other words, that has been indicated by States and cities, is about $10 billion. These amounts are based upon that type of information. But it is obviously a figure that in fiscal year 1979 and fiscal year 1980 will vary according to the individual States and city presentations.

Senator SARBANES. Well, let me come back to the point the chairman was questioning you about. I'm beginning to think it's probably—well, we ought to run up the warning flags when you get a Secretary of Transportation who's also an expert in the budget process because we're not altogether sure exactly where we're going. Is it fair to say that the process that you're projecting for the future which in part is dictated by the new Budget Act puts us as a Nation in a position of requiring communities to trade off a guarantee that the funding for the mass transit program upon which they are embarking will be available in return for being able to put more communities on line?

Secretary ADAMS. Well, it's no different than it is now in that the appropriations committee places limits on the contract authority. If the appropriations committees do not follow through on the contract authority under the present statute—in other words, if they place too low a lid on it, communities can lose out. The same thing will apply in the future.

The reason I hesitated on your question is that we have the contract authority out there now. It is short in total amount for the 5 years under the commitments made by the Ford administration.

Senator SARBANES. $1.1 billion, is that correct?

Secretary ADAMS. Yes.

Senator SARBANES. If you had the extra $1.1 billion, every community for whom a commitment had been made could move ahead on the safe premise that they would be funded. Isn't that correct?

Secretary ADAMS. For the amount committed, not for any inflationary increase, not for any changes, assuming the appropriations committee maintains the contract authority as high as the authorization levels set by this committee. They have done that in the past and I have no reason to believe they won't in the future, but that system presently exists.

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Senator SARBANES. All right. Now what you're going to do with the rolling authorization and the rolling appropriation proposal is you're going to bring online a lot of communities but in effect you're going to say to them, as you say to us in your statement, that this is going to be a continuing program and therefore, each community will come onboard and will get commitments for authorization amounts—then you're apparently assuming the appropriations committee will follow with an appropriation—but the community cannot be certain of future funding. They must start planning and keep rolling as they go. Otherwise, they are going to get cut out; isn't that right?

Secretary ADAMS. Yes; under the system that is proposed in the bill. The Congress has now said they don't want to have contract authority or the so-called back-door spending and so on, that authorizing committees and appropriating committees want to look at programs at least every 2 years. That's what is being proposed in the new bill and it's the position that we have supported in our testimony as meeting the law. Otherwise, you stay with the present system and have to figure out a way to tack on. You see, the present system in effect is grandfathered in. It's the contract authority system which is not allowed now under section 401 of the Budget Act.

Senator SARBANES. But if you had a large authorization and appropriation to make those commitments and the communities could depend on it——

Secretary ADAMS. If you wish to go with the proposition of taking the whole amount—in other words, if I remember, the bill is $11.4 billion—and could get it though as an authorization and appropriation and in effect say we have appropriated all this money, you could do it that way. But that money would then sit until spent by each group and whatever was in that authorization and appropriation would be protected. New people would have to have a new bill.

Senator SARBANES. Exactly.

Secretary ADAMS. Correct.

Senator SARBANES. Which goes back to the first question I asked. In effect, what you're doing—and I haven't made a judgment yet whether it ought to be done or not—but what you're doing is trading off the guaranteed assurance to a limited number of communities that are brought on that their funding is firm with the exception of the inflationary problem you alluded to, you're trading that off for being able with the same amount of money to bring on a lot more communities, but you then leave them to some extent hanging as to whether the money will continue to roll in subsequent years with respect to all of them or else they are all ground to a halt. Isn't that in effect what you're talking about doing?

Secretary ADAMS. That is a way of explaining what the new budget system does that is being proposed in S. 208 and that we have supported. Otherwise, you're frozen.

Senator SARBANES. How reasonable do you think it is to States and localities to expect them to undertake and continue these projects when they lose that assurance?

Secretary ADAMS. Well, we could give them, if S. 208 passes, the assurance provided by a 2-year appropriation in advance plus an authorization and that we can do plus giving them an authorization out 3 years beyond that. Now that's what can be done.

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Now, incidentally, we go a little farther in our testimony than the committee does. Under S. 208, you start this process at the end of fiscal year 1977. We're proposing in our testimony that you not do this until fiscal year 1980, which would give the communities that are already involved a little more assurance. I have asked Mr. Downey to point out where we suggest that you start this new process—and S. 208 proposes that we start it in fiscal year 1978. So if we accept the committee's bill, or if it becomes law, you will start the process that you mentioned 2 years earlier than if you go with the proposition we have proposed in our testimony.

It's a very difficult decision to make. I just wanted a little more time to make it and that was why I wasn't trying to resist the committee in terms of saying I think we should perhaps not do this as promptly as is suggested in S. 208, but wait a little longer.

Senator SARBANES. But I just want to be clear on what it is you're doing and what you're doing obviously is you're structuring a system that permits the maximum number of starts at the minimum reflected budgetary costs, and what you pay in order to do that is you deprive communities of a guaranteed assurance that the money will be there to carry them all the way through.

Secretary ADAMS. No. We leave that to this committee as we report in each time you take up the authorization bill because I assume you will probably want to authorize out for 5 years sufficient amounts to meet the commitments that have been undertaken, and then it will be decided in the Congress how much money you want to allocate to the Department for new starts. Obviously, we intend to protect those that are on line—they come first. So no one else is going to come on in terms of new starts, unless we see the money in the authorization for it. This would be discussed in this committee at whatever time the chairman wants to schedule it in each 2 years of Congress.

Senator SARBANES. Of course, what the committee is trying to do is move in such a way that there's sufficient authorization and hopefully followed behind that appropriations to meet the pending requests and others that will follow and meet them in a way that communities can be assured.

Now you don't want to do that because that involves a significant budgetary problem for you.

Secretary ADAMS. No. We accept that process. We are not resisting that process. That's the way we understand it is going to go.

Senator SARBANES. Well, then, why shouldn't we move with this bill quickly? Otherwise, you're not going to be able to hold out those assurances.

Secretary ADAMS. Well, if you move with it you wipe out the assurances for those communities 2 years earlier than what we're suggesting be done. If the committee and Congress decides in its wisdom it wants to shift to this system in fiscal year 1978, we'll do it because we are not resisting it. We will do it. We are just asking you to go to fiscal year 1979. That's all. If you want to go with it earlier, we'll do it.

Senator WILIAMS. Maybe you could help us by telling us what would be acceptable at this point. We certainly want to honor commitments made. Now one way to do that would be to continue the present authority for the balance of this year and the next fiscal year. Is that right?

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Secretary ADAMS. That's right.

Senator WILLIAMS. And then to further the objective that we feel is essential, the ongoing authority to be working with the metropolitan areas for a future program, picking up 1979 and go forward?

Secretary ADAMS. That's correct. If the committee in its wisdom decides that's the way it wants to do it, that's the way we would do it. We would start the new system that's been referred to by Senator Sarbanes in fiscal year 1979 as opposed to fiscal year 1978 or whatever year the Congress decides it wants to go to the new system.

Senator WILLIAMS. And again, as Senator Sarbanes said, in concert with you—you have been chairman of a budget process in the other body. Now we have felt that if we're going to preserve our legislative opportunities for this year, we have to have a markup of advanced authorization and report to our budget committee next month. Having been through the process as chairman of that, do you agree that that's our posture?

Secretary ADAMS. Only to meet fiscal year 1978 authorizations. We feel that there's existing money to meet fiscal year 1978. If the committee decides in its wisdom that it wants a different figure for fiscal year 1978, then they will have to report by March 15 what they feel that different figure is and move with the bill, and the bill will have to be reported by May 15. But we feel there's sufficient money in the authorization at the present time to meet fiscal year 1978 and fiscal year 1979. Now there will not be by fiscal year 1980.

Senator WILLIAMS. All right. These are the commitments that we know exist. We want to have you in a position to be able with confidence to deal with communities on their beginning plans and developing plans beyond that. Now that is the time schedule that worries me and I think for you to be in that position and to deal with confidence that you're going to have legislative authority we've got to work this year and under the timetable we have got to do it next month.

Secretary ADAMS. If the committee has made the decision it wants a series of new starts in the next fiscal year beyond whatever we're able to do with the $100 million, then we could fund some up to that $1.97 billion figure, but very, very limited amounts, and post-1979 would have to be authorized because we would not have money for post-fiscal year 1979.

Senator SARBANES. Well, are you taking the view that in order to be in a position to give assurances to new communities who want to move into the field you have to take away the assurances that exist for the old communities?

Secretary ADAMS. No.

Senator SARBANES. You're not saying that, are you? The commitments to those communities who have been given a commitment to carry them through, leaving aside what inflation may do to the value of the commitment, but that commitment is fixed and will be honored. Is that correct?

Secretary ADAMS. That is correct, and we will need by fiscal year 1980—that's the third year out—we will need additional money by fiscal year 1980, but we have sufficient money authorized to go through fiscal year 1977, 1978, and 1979 with some small slack for new starts.

Senator HEINZ. Mr. Chairman, if I might ask the Secretary a question—Secretary Adams, congratulations, by the way.

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Secretary ADAMS. Thank you.

Senator HEINZ. In your testimony you say that you'd be back to us in May of 1978 for authorization requests for fiscal year 1980. Are you also saying that you would give us a 5-year authorization projection at that point as well?

Secretary ADAMS. Yes. Every time we do this we will go with a 5-year projection, both as suggested by the Budget Act and that has been the traditional period used by this committee.

Senator HEINZ. With the very important part you played in the budget process last year and one in which I commend you because I think it was a very tough job the very first year and you did an excellent job and we were both colleagues in the House together—how would you suggest that this committee deal with the problem of coming up this year, as we are encouraged to do by the budget process, with a 5-year authorization?

Secretary ADAMS. Well, I think that the committee has in mind and will have from us what has been committed. That was one of the things we discussed earlier, what amounts are involved. We will make available the information we have as to what other communities are requesting for the future. Most of these projects take a minimum of 5 years from the alternative analysis through construction; some of course longer. Taking that information, this committee makes a decision as to what authorization levels it wants for 5 years, knowing full well it may want to come back in the next 2 years and roll it 5 years farther out.

At the same time, this committee's 5-year authorization levels go to the appropriations committee. By forwarding these projections this committees says, in its judgment, it has made a decision that there are the old commitments that must be met; these are the new starts that we anticipate; and we are requesting that a 2-year appropriation be made to handle those. Then the next year you roll it out 2 years again. That's what we have suggested and that's what my testimony indicates on page 4, that we would be before this committee talking about fiscal year 1980 and have the report ready to go no later than May 15, 1978. In other words, with long lead times you have to come in early and recognize that you do the best you can of saying what the level should be out 5 years, always knowing you can correct it on a 2-year interval.

Senator HEINZ. But you don't feel prepared at this point to give us a trial estimate for an authorization?

Secretary ADAMS. We have given it for 1980 and 1981, but we do not feel we can go out 5 years at this point. We have suggested that we continue on up through fiscal year 1979 and, then take the 5-year jump forward as I indicated to Senator Sarbanes, but if the committee in its wisdom and the Congress in its wisdom decides that it wants to do that earlier, then we will come forth with the best projection we can make for 5 years from whatever date the law states.

Senator HEINZ. Senator Sarbanes' concern, if I understand it, is he's concerned about communities in effect that may be starting somethig now or may start in the very near future and they only have a 2-year horizon to work with at the end of which time they are faced with a high degree of uncertainty because there exists no authorization beyond that. Is that not your concern, Paul?

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Senator SARBANES. That's a concern, but apparently it's one that is imposed by the Budget Act as I understand it, so I'm not sure it can be—I'm not sure what the answer—without getting into the problems of the Budget Act, I'm not sure what the answer is here this morning.

Senator HEINZ. Faith in government.

Secretary ADAMS. That's why we suggested to the committee that you leave in place for 2 years what you have. That's basically the reason that I have suggested to the committee that we leave those assurances in place so that when we go out starting in fiscal year 1980, everybody that is coming into the program knows where they are, but those that have been in the program have their assurances for as far in the future as we are capable of providing them.

Senator WILLIAMS. In your prepared statement—and I would express my disappointment after reading your statement yesterday. Quite frankly, we entered this legislative year in urban mass transit on a foundation of considerable hope because of the President's statements that we have read and heard over the last year, first as a candidate and some suggestions since. On that foundation we were proceeding with more hope than I found was justified after reading your statement yesterday, Secretary Adams. I will say we have had our hearings here for 2 full days prior to today and we heard from the community of interest and knowledge and I would say long interest and long knowledge, from communities, great vast metropolitan areas, and our bill includes provisions that deal with less dense populations. We have a rural component and we have had the total cross section. There has been total agreement that with our approach as they interpret it it's addressing itself to their needs, from Boston to the west coast and a lot in between, and from these metropolitan areas to Greene County, Ala., a rural county; the judge from there addressed himself to the rural component in our bill. There's been a unamimity that this approach is needed for communities to indeed plan their destiny in transportation. I was greatly disappointed for your statement that we would be postponing their expectations that they had an effective partner in the Federal Government in their developing plans. I think we can rescue all of this, but——

Secretary ADAMS. I think so, too, Senator. I certainly do not want to leave the impression with the committee in any way that I'm anything but a full supporter of mass transportation. I think you have seen that in some of the decisions that I have had to make in this first 30 days and in the thrust of the public statements I have made and I hope I leave the impression here that we are dealing with a difficult problem of how often the Congress wants to review these things and how they want to run their internal processes in terms of appropriating and authorizing. This administration is committed to mass transportation. I personally am. I feel that we must build an alternative to the present system. We want to do it in the best possible fashion that we can, and if my statement and my concern about this system too quickly has left the impression I'm opposed to mass transportation, I hope this morning I have corrected that, because I certainly am not opposed to it. I am for it.

Senator WILLIAMS. Over the years we have had the demonstration of a problem in an area where you cannot do the adequate job in capital construction, or capital planning on a year-to-year basis. We

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had to fight a desperate fight to get that long period of contract authority and then because of the annual appropriations problem now we have another layer of legislative process, the budget resolution process, and so it is complicated even further, as we have more certain deadlines than we ever had under the old authorization-appropriations process as our only legislative necessities.

The Budget Committee representatives are here and they will advise us how we can take our ideas, get the best from you, and work this within our schedule in our timeframe. I will say that I know that you have had an opportunity even within 1 month of being in the Secretary's position of responding to particular applications and I notice that the Seattle Metro has a letter to Senator Magnuson and I understand they have been——

Secretary ADAMS. We went through an agonizing thing on that, Senator, in that we lost our local bond issue after hopefully being able to start it. That was a number of years ago. Both Senator Magnuson and I are hopeful that we can move forward.

Senator WILLIAMS. Well, Mr. Page out there supports our approach and I will include his letter to Senator Magnuson in the record at this point.

[The letter follows:]

METRO,
MUNICIPALITY OF METROPOLITAN SEATTLE,
Seattle, Wash., February 4, 1977.

Hon. WARREN G. MAGNUSON,
127 Russell Office Building,
First Street NE., Washington, D.C.

DEAR SENATOR MAGNUSON: It is vital to the cities and metropolitan areas of this country that major new mass transit legislation be enacted during this session of Congress. Because substantial amounts of unobligated funds remain, some people argue that there is not an urgent need for legislation.

To assist urban areas in undertaking major capital projects, the Urban Mass Transit program has been administered on a "full funding" basis. Under this procedure, the Urban Mass Transportation Administration (UMTA) gives conceptual approval to a major project, for example, the $800 million commitment to the Atlanta subway. This contract authority is then informally set aside, with actual obligations following over the next several years. As a result of the increasing cost of projects and the rate at which tentative approvals have been made, UMTA's contract authority reserves have been depleted.

An analysis of these reserves shows that with no funds UMTA can barely:

Maintain the present level of transit bus grants to all transit authorities;

Complete the prior administration's commitment to construct segments of new systems in Atlanta, Baltimore, Philadelphia and Buffalo;

Formalize tentative commitments to begin capital support for the Miami or Detroit projects; substantial funding would be later than 1980.

This analysis also shows that UMTA cannot:

Formalize the tentative approval of a rail system in Honolulu before 1980;

Provide for any new commitments for a proposal already planned in Los Angeles, and those just being planned in Houston, Cincinnati and San Diego;

Provide for major improvements and expansion of systems in New York, Chicago and Boston.

Mass transit is an essential element of any plan for the revitalization of our cities and metropolitan areas. If the UMTA program is to contribute, additional new funding authority is now required.

Great progress has been made by UMTA in developing methods of evaluating mass transit proposals. In Seattle as well as in other cities, this process has produced discipline in planning and evaluating of major transit projects. The result has been sensible proposals on a combined transportation-community development basis.

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The lack of new authority would bring all of this to a halt. It is for this reason that I urge you to direct your attention to the question of new UMTA legislation as a top priority item. I commend to your attention S. 208, recently introduced by Senator Harrison Williams.

Now is the time for new legislation.

Sincerely,

RICHARD S. PAGE,
Executive Director, Metro, and Member,
Government Affairs Committee of the American Public Transit Association.

Senator WILLIAMS. Anything further, Paul or John?

Senator SARBANES. No, Mr. Chairman.

Senator WILLIAMS. Thank you very much.

Secretary ADAMS. Thank you, Mr. Chairman.

Senator WILLIAMS. Could I just for the record say I'd like to submit some questions for written response?

Secretary ADAMS. Yes.We'd be happy to respond, Mr. Chairman.

[The following was received for the record:]

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THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

March 18, 1977

Honorable Harrison A. Williams, Jr.
United States Senate
Washington, D.C. 20510

Dear Senator Williams:

As a follow-up to my testimony on February 25, I thought it would be helpful to send a letter clarifying two aspects of our proposal for managing the UMTA capital grant program. The additional information you requested for the record, including a project status chart and answers to specific questions are also enclosed.

"Full Funding" of Capital Grants

In arriving at a new system for capital grants that would fit within the constraints of Section 401 of the Budget Act, we attempted to minimize differences with the funding procedures under the present program as it has been administered in practice. At present, multi-year "commitments" are not truly "full-funded" since all funds required for the multi-year project are not obligated and released upon initial project approval. After a major project meets all procedural steps, UMTA gives it a general letter of approval, but only obligates funds for the first stage of construction. Funds for the future years are merely considered to be "set aside" out of the balances of available contract authority not yet released for obligation. Further staged grants are made in future years within the obligation ceiling established by Congress for the use of contract authority during that year.

The proposed new procedures would be similar. UMTA would give general approval of multi-year projects, backed up by a first year construction grant. Funds to see the project through each year of construction would be considered "set aside" from funds authorized for each future year and would be obligated as appropriations are made. With appropriations a year in advance, the availability of these grants could be assured in accordance with construction progress.

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SENATOR
WILLIAMS, N.J.

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If the programs were to operate on a true "full-funding" basis, very large appropriations would have to be made in the first program year of any new project based on estimates of the entire future need. This could result in wide variation in annual program levels and individual projects would have to be modified n future years based on actual cost experience, inflation rates, etc.

Phasing of New Financing System

As discussed at the hearing, both S.208 and the Administration proposal would shift from a contract authority basis to an authorization/ appropriations basis. The difference in the two proposals is a matter of timing. S.208 would accomplish the changeover at the end of the current year while the Administration would prefer to continue to draw down existing contract authority through FY 1979.

One of my comments at the hearing has been misinterpreted in the press. The fact that the Administration proposal delays the use of new authorizations unti FY 1980 does not mean that new multi-year projects could not be approved unti FY 1980 The avai able balance of contract authority is sufficient to fund engineering grants for any of the projects which may become candidates for commitments when new appropriation authorizations become available. Authorizations for FY 1980 and beyond will take account of the annual grant requirements of current and prospective project commitments.

Budget Act Timetables

The subject of Budget Act timetables figured in our discussions. The key deadline is May 15th, the deadline for bills authorizing appropriations for the coming Fisca Year must be reported. Thus, if S.208 were to be enacted with its proposed changeover to authorization/ appropriations effective in FY 1978, it would have to be reported (in both Houses) by May 5, 977. However, if the Administration plan for using up existing contract authority were followed, the reporting deadline would not apply since the first year for new authorizations in the capital grant program would be FY 1980.

I should note also that the May 15th reporting deadline would apply to the new formula grant funds proposed in S.208, which the Administration testimony did not support. Our proposal for a $125 million authorization for 1980 to restore funds borrowed for the Transition Quarter could be reported at any time.

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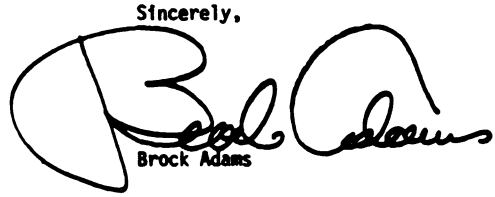
Other proposals under discussion, such as formula changes, loan forgiveness, training programs, etc., may or may not need reporting by May 15th. This should be reviewed carefully with the appropriate committees and officials.

I hope these comments will help your Committee in consideration of S.208. If I can be of further assistance in developing this legislation in a mutually acceptable fashion, please let me know.

Sincerely,



Brock Adams

Enclosure

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HARRISON A. WILLIAMS, JR., N.J.
JENNINGS RANDOLPH, W. VA.
EDMUND S. MUSKIE, MAINE
FRANK E. MOSS, UTAH
EDWARD M. KENNEDY, MASS.
WALTER F. MONDALE, MINN.
VANCE HARTKE, IND.
CLAIBORNE PELL, R.I.
THOMAS F. EAGLETON, MO.
JOHN V. TUNNEY, CALIF.
LAWTON CHILES, FLA.
DICK CLARK, IOWA
JOHN A. DURKIN, N.H.

HIRAM L. FONG, HAWAII
CLIFFORD P. HANSEN, WYO.
EDWARD W. BROOKE, MASS.
CHARLES H. PERCY, ILL.
ROBERT T. STAFFORD, VT.
J. GLENN BEALL, JR., MD.
PETE V. DOMENICI, N. MEX.
BILL BROCK, TENN.
DEWEY F. BARTLETT, OKLA.

WILLIAM E. ORIOL, STAFF DIRECTOR
DAVID A. AFFELDT, CHIEF COUNSEL
JOHN GUY MILLER, MINORITY STAFF DIRECTOR

United States Senate

SPECIAL COMMITTEE ON AGING

(PURSUANT TO S. RES. 33, 95TH CONGRESS)

WASHINGTON, D.C. 20510

March 8, 1977

Honorable Brock Adams
Secretary, Department of Transportation
400 Seventh Street, S.W.
Washington, D.C. 20590

1977 MAR 15 PM 1:00
SENATOR WILLIAMS, N.J.

Dear Mr. Secretary:

The lack of affordable, usable transportation is one of the major problems confronting older Americans. Because of this, I had asked that certain questions in regard to relevant Department of Transportation programs and policies be asked during your recent testimony on S. 208, The National Mass Transportation Assistance Act of 1977. But, as you know, prolonged discussion of the budgetary process at that hearing of the Banking and Housing Subcommittee foreclosed the exploration of subsidiary issues.

Your testimony clarified the new Administration's position on several matters of concern to me. I was particularly pleased that you supported the principle of affording non-urbanized areas the same flexibility in allocating UMTA grants to operating and capital expenses as is presently granted to urban locales; Committee on Aging hearings have explored the particularly devastating impact which lack of transit can have on the rural elderly.

I would also appreciate your reply to the following inquiries:

1) The Committee on Aging has received certain complaints concerning the administration of the Section 16(b)(2) program of grants to private, non-profit corporations for transit serving the elderly and handicapped. Specifically, state officials have found that the central vehicle purchasing requirement is unwieldy and often in conflict with constitutional prohibitions. And the private agencies find the paperwork burdens to be excessive. Is DoT planning to reexamine its 16(b)(2) policy in response to these complaints?

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2) DoT has prudently delayed implementation of its mass transit bus design specifications until May 27, and has scheduled an additional hearing for March 15. In addition to this hearing, does the Department plan to review any of the several studies which have contrasted the economic costs and comparable service quality of strategies to meet the transportation needs of elderly and handicapped Americans through (i) the maximum possible use of fully accessible vehicles, or (ii) the establishment of a separate system of smaller, paratransit vehicles? Does DoT plan to initiate further study along these lines prior to May 27?

3) In 1976 DoT issued regulations emphasizing the importance of paratransit services. In addition, the UMTA-sponsored "Taxi Project" exhibit demonstrated that vast design improvements over presently available paratransit vehicles are feasible today. If Federal funds are to subsidize paratransit operations, should the Federal government mandate better accessibility standards for these smaller vehicles?

I believe that your answers to these questions will enable me to better assist you and President Carter in formulating a program of attractive, effective, and energy-efficient transit capable of serving all Americans.

With best wishes,

Sincerely,

Frank Church
Chairman

cc: Honorable Harrison A. Williams, Jr.

Honorable Lawton Chiles

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RESPONSES TO SENATOR CHURCH'S QUESTIONS

Question #1

Section 6 of S. 208 permits rural areas to utilize their UMTA Section 3 grant monies for operating as well as capital expenses, subject to such terms, conditions, requirements, and provisions as the Secretary may determine. At this time, does DOT foresee any reason to subject non-urban areas to restrictions under this Section which would differ significantly from those imposed on urban areas?

Answer

No. UMTA is currently evaluating what requirements would be appropriate for non-urbanized area operating assistance, but is not yet in a position to provide detailed provisions. It seems clear, however, that these requirements would be less restrictive and more flexible than those mandated for larger areas.

Question #2

The Committee on Aging has received certain complaints concerning the administration of the Section 16(b)(2) program of grants to private, nonprofit corporations for transit serving the elderly and handicapped. Specifically, State officials have found the central vehicle purchasing requirements to be unwieldy and often in conflict with constitutional prohibitions. And the private agencies find the paperwork burdens to be excessive. Does DOT intend to reexamine its policy in response to these complaints?

Answer

On November 18, 1976, acting on the requests of several States, UMTA modified the procurement policy for the 16(b)(2) program to make the State responsible for the procurement process but eliminating the requirement that the State actually purchase vehicles. As to the paperwork question, UMTA has recently begun preliminary discussions with the Administration on Aging in an effort to reduce the paperwork burden on reporting information required by the two agencies.

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Question 3

The design specifications for mass transit buses scheduled to go into effect on February 15 have been delayed until May 27, and additional hearings have been scheduled. As part of the reexamination of these regulations, does DOT plan any in-depth studies contrasting the economic costs of meeting the transportation needs of elderly and handicapped Americans through (a) a strategy utilizing fully accessible vehicles to the maximum possible extent, or (b) a strategy utilizing smaller paratransit vehicles as the main transportation mode for such persons? Would such an economic study also try to evaluate the quality of service available under these two strategies?

Answer

Such a study is currently underway in conjunction with a research project which is also identifying the numbers and types of disabled individuals and their particular service needs. This study will be completed in September 1977 and is expected to lead to a number of service demonstrations--including one of full accessibility and one of alternative paratransit service. Such demonstrations would assist in evaluating differences in cost and quality of service between the two strategies.

Question 4

In 1975 DOT issued regulations emphasizing the importance of paratransit services. If Federal funds are to pay for these operations, should the Federal government mandate the design standards for these smaller vehicles?

Answer

Paratransit vehicles are used to meet a wide range of different needs and to perform various types of service. Given this diversity it would be inappropriate to mandate any single design standard or performance specification. If future experience shows that there are problems or issues involving such vehicles it would be possible to develop some kind of appropriate guidelines.

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RESPONSE TO SENATOR WILLIAMS' QUESTIONS

Question 1

I cannot see anything that would keep you from mandating transbus. We have been waiting on accessible equipment and now we have it. And it would improve competition in the industry. Do you agree?

Answer

As was stated in the Federal Register (49 CFR Part 609, February 16, 1977) I do intend to hold a public hearing on March 15, 1977 to obtain comment from all interested parties regarding the Transbus program and related issues. It is my intention, after considering all issues and points of view, to announce a final decision on Transbus or other advanced bus designs as well as the related questions of provisions for the elderly and handicapped no later than May 27, 1977.

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Question 2

Considering that one of the primary goals of our new Administration is to improve our economy, I am very concerned and I know that other members of Congress (John Brademas - AM General) are concerned abut the economic impact of production of an interim bus which will in effect knock one manufacturer out of the market.

You also announced the other day, however, interim procedures which allow for procurement of either a current or advanced design bus which offer a wheelchair option. Can you tell the Committee what the public response was on these procedures, particularly from the three bus manufacturers?

Won't this mean that a local area could order a large number of the interim bus thereby creating the same competition problems as the suspended regulations?

What standards will UMTA use for approval of applications?

Economic Impact of the Interim Bus

As stated in the Federal Register on March 11, 1977,

" The Adopted Procurement Procedure. In approving the interim bus procurement procedure, the Secretary's objectives are: (1) to promote a viable and competitive bus manufacturing industry from which no manufacturer is precluded from participation (although Federal policy should not be directed in favor of any particular manufacturer); (2) not to prejudge the issues that are the subject of the March 15 hearing; and (3) to ensure the development of new technology buses that meet the needs of all segments of the public including those special requirements of elderly and handicapped persons.

" The interim procurement procedure adopted today provides for existing low bid procedures for acquisition of current design buses and an adjusted low bid procedure for acquiring ADBs. "

The Department has therefore provided the opportunity for all manufacturers to remain in the market, provided sufficient demand for their products exist. The one issue which might have precluded one or more manufacturers from remaining in the market was the February 15, 1977 24" low floor requirement. Recognizing this, the effective date of that requirement has been posponed at least until such time as we make long-term decision as to future design requirements.

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Public Response to the Procedures

In response to the Federal Register Notice, written comments on interim procurement procedures were received and meetings held with representatives of, (1) American Motors Corporation (AM), (2) General Motors Corporation (GM), and (3) Rohr Industries (Flxible), the American Public Transit Association (APTA), and a coalition of elderly and handicapped groups (E&H). Written comments were also received from the City of Jackson, Mississippi, the Port Authority of Allegheny County, Pennsylvania and the State of Connecticut.

AMG stated that the crucial policy objectives to be realized were: (a) maintaining aviable and competitive bus manufacturing industry, (b) establishing a predictable Federal policy, (c) providing better and more attractive transportation for the elderly and handicapped and all other persons. AMG favored a method by which the Federal Government would apportion funds so as to guarantee a certain market share for every manufacturer. AMG was also willing to consider: (a) a value-for-value competition, or (b) a Federally negotiated procurement as long as current design buses would compete directly with ADBs, and the Federal Government would assume the responsibility for setting values and/or determining and applying evaluation criteria.

GM stated that several approaches would be acceptable providing they: (a) recognize and foster product improvement and innovation, (b) recognize and evaluate life cycle costs, and (c) allow local agencies to take into account local circumstances and peculiarities in determining which of the products offered best suits its own needs and requirements. Procurement methods discussed by GM included: (a) low evaluated bid, (b) life cycle costing, (c) separate competition for current design and ADB, (d) negotiated procurement, and (e) sole source, although options (b) and (c) were particularly favored.

Flxible stated they supported the purchase of ADB's on a pure low bid basis. They would not object to the use of evaluated criteria if proper Federal controls were established. They also mentioned the need for predictability of procurement policies and the continuation of bus procurements. They stated that at least the adopted procurement procedure should not penalize Flxible for complying with the February 15, 1977 low floor requirement.

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APTA stated that local grantees' critical need for new buses makes it necessary to adopt the policy which APTA had discussed and worked on with UMTA on January 4, 1977, or a policy retaining the essential thrust of that policy. They recommended that said policy not be subject to revision as a result of the March 15, 1977 hearing.

The E&H user groups came out strongly in favor of mandating Transbus as soon as possible. Regarding the interim policy, they stated: (a) nothing done for the interim should prejudice the prompt introduction of Transbus, (b) the two manufacturers pledged to the production of Transbus should be maintained in the industry, (c) the maximum certainty possible in any interim should be introduced into the market, and (d) the interim should be short and measured.

The other respondents pointed to the need for quick action and for a consistent and predictable UMTA policy.

UMTA Standards for Approval of Applications

As stated in the Federal Register (49 CFR Part 609, February 16,1977): The interim procurement procedure adopted today provides for existing low bid procedures for acquisition of current design buses and an adjusted low bid procedure for acquiring ADBs.

The procedure requires UMTA to establish a specification for a baseline ADB (one which indicates the basic features that every ADB must contain) and a series of price offsets for optional features offered on each manufacturer's ADB. A price offset is a monetary value established by UMTA for certain features, or a method for calculating that value for features subject to local variations (e.g., local maintenance costs which may vary according to local wage rates). Bidders (manufacturers) must meet the baseline specification and must offer a price for the total vehicle, including such optional features as the manufacturer chooses to include. The amount of the price offset for each optional feature would be made public and known to manufacturers before they decide which features to include in a given bus. The manufacturer's total price will be adjusted by subtracting the established value of the options included in that price. Awards will be made to the responsive and responsible bidder with the lowest adjusted bid price.

While the UMTA-established price offsets will be the norm, an important feature of this procurement procedure is that grantees may request review of any price offset in light of their own unique transportation conditions or needs. If a

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grantee can show that a change is warranted by local conditions or needs, UMTA will change the price offset for that particular locality. UMTA will announce the minimum baseline specification and the price offsets for use in procuring ADBs within three weeks of the date this announcement appears in the Federal Register. After that time grantees may begin the procurement process including seeking reviews of price offsets as necessary. Manufacturers may seek review of price offsets once the grantee's review process is completed and price offsets for a particular procurement have been established by UMTA.

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Note regarding correctness E&H portion of Statement.

We stand by the accuracy of the statement on page 9 of Secretary Adams' testimony regarding changes in section 16 of the UMT Act.

The current language of section 16 states that:

"special efforts shall be made in the planning and design of mass transportaion facilities and services so that the availability to elderly and handicapped persons of mass transportation which they can effectively utilize will be assured; and that all Federal programs offering assistance in the field of mass transportation (including programs under this act) should contain provisions implementing this policy".

This language is retained in S. 208 * but the bill goes on to add a new section 16(b) which requires all Federal projects under the UMT Act to be "planned, designed, constructed, and operated to allow effective utilization by the elderly and handicapped," -thereby setting out the basis policy. It establishes two basic requirements to carry out this provision:

1. new vehicles or racilities for rapid rail system, or new vehicles integrated with such a system when feasible shall be subject to accessibility standards which shall insure accessibility by the elderly and handicapped.

2. mobility for elderly and handicapped shall be available in each urbanized area seeking UMTA assistance; this determination will be based on demonstration of detailed plans for either a wheelchair accessible regular route system, or comparable substitute service.

The second requirement was stressed in the Secretary's statement on February 25. It is not that the Department disagrees with the requirement. We just wanted to point out the difference between the existing law and the proposed legislative language. In fact, the section 16(b) language is philosophically consistent with the Department's approach to its current mandate under section 16. Further, we do not believe that any of the requirements set out in section 16(b) as revised in S. 208 are inconsistent with the UMTA Regulations of Transportation Services for the Elderly and Handicapped.

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* The only change in the language is in the last line where ..."should contain provisions implementing this policy" is changed to "...should effectively implement this policy."

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DOT Comments on Statement of Sieglinde A. Shapiro before the Subcommittee on Housing and Urban Affairs, Senate Committee on Banking, Housing, and Urban Affairs, February 25, 1977

Secretary Adams stated in his testimony that the Department favors local flexibility in structuring appropriate service while assuring rapid progress in making mass transportation services available to the elderly and handicapped. We believe that our current regulations on transportation for elderly and handicapped persons are consistent with that goal and with the relevant statutes. Therefore, we cannot agree with Ms. Shapiro's arguments that the Department's policies conflict with the laws on the subject.

Ms. Shapiro does raise important--although not new--arguments for mandating Transbus, and we are concerned about whether the Department's policy on Transbus has been adequate to meet the needs of elderly and handicapped persons. But in advance of the March 15, 1977 public hearing on this subject, we cannot say whether or not the Department's present position on this very complex matter should be changed.

We would like to clarify one portion of Ms. Shapiro's statement. The cost-benefit study referenced by Ms. Shapiro in the first footnote of her written statement was only an unfinished draft which was never adopted by the Department. We don't really know whether or not serving wheelchair users on regular, fixed route bus systems is less expensive than serving those same persons on specialized systems; but even if it were cheaper in absolute dollar terms, that would not necessarily mean that fixed route service is preferable from a cost-benefit perspective. In some cases it might be more beneficial to institute a specialized system even where absolute costs are higher.

In summary, Ms. Shapiro's principal point is that Transbus should be mandated, and on that point we look forward to receiving the best available advice at the March 15 public hearing. After evaluating that advice, the Secretary intends to issue a decision by May 27, 1977.

Note: Ms. Shapiro's testimony begins at page 480 of this volume.

March 3, 1977

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SECRETARY ADAMS' RESPONSE TO QUESTIONS FROM SENATOR BROOKE

Question. Will you make a point of reserving some capital grants, Section 3 money, for use in metropolitan area transportation systems where they may be combined with interstate transfer funds?

Answer UMTA does not have a policy of denying Section 3 funds to an area which has interstate transfer funds which it can withdraw. UMTA will in fact continue to fund areas which have interstate transfer withdrawals available to it out of both Section 3 and interstate funds. In Boston, for example, UMTA has awarded Section 3 funds in the amount of approximately $122 million during the transition quarter and the last two fiscal years. We expect to continue to make such grants in the future.

Question. Would you please review the Southwest Corridor Development Project with an eye toward finding out how Section 3 grants may be combined with the money the state is prepared to commit from their own available funds?

Answer. It is UMTA's current intent to support the Orange and Red Lines using interstate transfer funds. This will provide an assured source of funds not subject to the large demand upon and intercity competition for limited Section 3 resources. Lastly, I would correct the impression that interstate funds are, strictly speaking, a local or "Boston" account. Although these funds are reserved for use only in Boston, they are federal funds, and must go through the normal process of Federal approval. This is particularly true since these are general funds and not trust funds, as would have been the case with the highway project. I applaud Boston's action in taking the step of approving a transit highway substitution, and will support further steps to carry out the projects, but must at the same time justify the precise need and timing of the cash flow.

[Short recess.]

Senator WILLIAMS. We will reconvene now with Mayor Stephen Clark, mayor of Dade County, Miami.

Have you been here through the dialog with Secretary Adams, Mayor?

Mr. CLARK. Yes, I have.

Senator WILLIAMS. Good. I appreciate your coming here and being part of this discussion of mass transit.

STATEMENT OF STEPHEN CLARK, MAYOR, DADE COUNTY, MIAMI, FLA.

Mr. CLARK. Mr. Chairman and members of the committee, my name is Stephen Clark.

I serve as the mayor of Metropolitan Dade County, Miami, Fla.

Metropolitan Dade County is a unique government in that it is a home-rule government established by referendum in 1957 after a 1956 amendment to the Florida constitution provided for home rule. The Dade County structure provides for a two-tier government in which we exercise both municipal powers and regional powers.

The regional powers of importance here today are Metropolitan Dade County's exclusive responsibility for transportation and comprehensive development planning. For example, we operate all mass transit, exercise the Federal air urban system responsibilities with Florida DOT, operate Miami International Airport and 13 other airports, and the seaport which is the largest passenger port in the United States handling over 1 million passengers this year.

In addition, the mayor and the eight commissioners plus one member of the Dade County School Board who also is elected countywide serve as the Metropolitan Planning Organization for Dade County.

Any assessment of conditions in urban America today must conclude that transportation is one of the most significant issues of the 1970's. This may well be the case through the year 2000.

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Dade County, like many other metropolitan areas, has been making a concerted effort over the past few years to develop a policy and decisionmaking structure as well as the programing capacity to make quantum jumps in transit and transportation services during the remainder of this decade and further into the future.

It is against this background that I am pleased to be here today to have the opportunity to make remarks in regard to what we feel are the major substantive issues in transportation before the country today.

THE FINANCING OF HIGHWAYS AND THE MASS TRANSIT

Four years ago, Congress passed the Federal Air Highway Act of 1973 which was an innovation and a breakthrough. It offered many new features. In general, the direction of that legislation was sound and progressive. In similar fashion, the National Mass Transportation Assistance Act of 1974 was enacted and represented, in many respects, innovative legislation.

In considering my testimony here today it is clear that there are five issues which you as legislators must deal with and I, along with several thousand other mayors, must live with.

These issues are: (1) The amount of money involved; (2) the degree of flexibility allowed in the legislation in terms of the expenditure of the funds; (3) the continuity of funding; (4) the agency or level of government that is the recipient of the money; and, (5) the level at which policy is made to determine how the money will be spent.

These issues must be dealt with in a manner and fashion which is in tune with the developments of the 1970's and the trends of the future. It does seem clear that the transportation demand both in private and public modes is destined to increase substantially throughout the remainder of this decade, even though we all are going to be increasingly constrained by declining energy resources and supplies. In Dade County alone the number of person trips daily will increase from 4.1 million today to 5.4 million by 1985.

There can be little doubt that these increases along with rising costs of construction and inflation wil require that substantially more funding be provided by the Congress to keep pace with needs throughout the county. I believe a total of about $9 billion a year needs to be provided now for mass transit and the continued financing of highways. Much more needs to go into urban areas.

We must be allowed to integrate and program our funds from Federal, State, and local sources so that we can make better use of what we have—transportation systems management is the term these days for such action—as well as to build the things that will help us recover the cities from their decline.

Moreover, there must be continuity of funding in both areas, perhaps for a period of up to 5 or 6 years. If these steps are taken, there is no substantial merit to continuing the highway trust fund as one funding vehicle and the general authorization and appropriation process as a second.

A most constructive move would be for the Congress to provide either contract or grant authority for surface transportation including both highways and mass transit through the creation of a unified urban transportation fund.

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ALTERNATIVES ANALYSIS AND TRANSIT FUNDING

One of the extremely significant issues involved in the financing of mass transit is the question of whether or not the Secretary of Transportation should have wide flexibility in apportioning major amounts of money for fixed guideway systems. It is my conclusion that the Secretary should continue to have such flexibility.

Let me illustrate. Metropolitan Dade County is one of several urban areas that is moving at a hurried pace toward the development of a rapid transit system. In November of 1972, the voters of Dade County approved by a two-to-one margin a $132.5 million bond issue which provides a part of the local share of a fixed guideway rapid transit system.

Since that time we have completed an 18-month preliminary engineering program started officially on December 5, 1973, and an alternatives analysis, and received in March, 1976 a commitment in principle to construct the first stage of the rapid transit system. The commitment in principle was converted on December 22, 1976, by the Secretary of Transportation to a commitment of $575 million for a 16.5 mile stage I of what is projected as a 48 mile steel-wheel, rail rapid transit system.

The preliminary engineering and alternatives analysis took 3 years to complete. It amounted to an extremely painful decision making process for the community to narrow progressively its priorities to that degree.

Briefly, I would like to recreate for you the major events. First, there was a system-wide analysis of 43 alternatives which were examined individually on a mile-by-mile basis. After 6 months of continuing citizen input and involvement, a consensus was reached on the preferred system-wide alternative.

At the same time some 30 vehicle technologies were being examined, land use and development policies being established, alternative station locations examined, safety and security criteria being developed, and architectural and urban design criteria were being completed.

Then as required by UMTA, we began the alternatives analysis within the preferred stage I corridor. This examined the cost and ridership effects of 30 alternative segments which were either at surface or elevated and light rail or heavy rail in vehicle technology. This second stage alternatives analysis involved three levels of screening in order to arrive at the most promising three alternatives before the final hearing was conducted. For the final two levels of screening there was a full cost-effectiveness evaluation prepared for each of the 18 alternatives.

Over a 2 year period, the alternatives analysis involved more than 14,000 individual citizens, more than 100 professionals of Metropolitan Dade County, several consulting firms, and more than 50 elected public officials.

We held more than 450 public meetings and conducted 20 separate public hearings each of which was formally noticed and conducted according to local and Federal regulations. A single copy of the materials produced stands about 3 feet high and weighs more than 50 pounds.

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I state all of this to make the point that when UMTA or some other agency requires alternatives analysis, they must be prepared to support the local efforts with funding when appropriate Federal reviews have substantiated the validity of the products. The process is terribly trying, it requires high levels of citizen input and public involvement, and it demands the constant attention of elected local officials as well as professional staff if one is to expect any reasonable degree of success.

But success means tremendous expectations are built up locally. The creditibility of local, State, and Federal officials and agencies often becomes an issue. These expectations simply must be addressed at the Federal level with funding, especially when the local area has its non-Federal matching funds immediately available, if we are going to have an urban transportation policy and program.

Today, no city and few States could possibly afford, even with long-term bonding programs, the enormous cost of constructing alone such systems. Conversely, few metropolitan areas are even willing to provide the non-Federal share for fixed guideway transit systems.

Thus, it is of critical importance that the categorical grant program approach be retained for the purpose of enabling those metropolitan areas which have the need, which have demonstrated their willingness to provide the non-Federal share, and which have the policy and decisionmaking structure necessary to complete new or to rebuild existing rapid transit systems to do so. We are talking about transit systems which would function in tandem with expressway and arterial systems to the year 2000 and beyond.

This is the base for rebuilding our downtown areas, for revitalizing our urban areas, and for addressing part of the problems of the major metropolitan areas today.

THE DOWNTOWN PEOPLE MOVER PROGRAM

On the subject of city building, I want to open up a related transit issue—the downtown people mover program (DPM). UMTA is to be commended for initiating in the spring of 1976 the DPM program on the basis of national competition. It seems that everyone except the local public officials was shocked by the local response of more than 50 cities expressing interest, of more than 30 project proposals being submitted, and the very stiff competition that developed before the decisions were made in December 1976.

Having been through that process, I want to say that it has great merit. It forced us to look at the central business district as an area to facilitate the movement of people, not simply as a place to move and park autos and build buildings.

Even though Metropolitan Dade County was not selected as one of the four cities, we were authorized to use part of the $575 million to build a DPM after the construction costs of the 16.5 mile stage I rapid transit system has been accounted for. We plan to proceed with the DPM project in Miami as a vital part of the downtown development program.

TRANSPORTATION PLANNING FOR THE SEVENTIES

Since 1962 when transportation planning began, a lot of activity has taken place in the name of comprehensive, coordinated, and con-

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tinuing planning processes. Many people would agree that truly comprehensive planning did not take place. The section 134 planning process appears not to have lived up to its expectations.

Section 112 of the Federal Aid Highway Act of 1973 was a far-reaching provision. It appears the urban areas have a chance to begin a significant transportation planning process if the metropolitan planning organizations are promoted and reinforced by congressional action. Such a procedure would permit planning standards to be developed that would encourage comprehensive land use planning at the local and State levels as well as coordinated transportation planning.

Transportation is far too an important tool to be left out or divorced from the comprehensive land use planning that goes on in urban areas. This is where we get into another dimension of city-building and being able to deal with major conservation measures on a comprehensive basis as well.

It is my position that the transportation planning process in the 1970's must be brought much more closely in tune with the policy and decisionmaking process. There must be a bottoms-up planning process established which involves policymaking officials and citizens as well.

In short, structural changes which simplify the process and focus on clear output products need to be incorporated into the legislation. It simply makes no sense to plan at the local level in the absence of policy determinations, or to plan in opposition to established policy, or to create planning conflicts at the local level due to the way funds are made available at the Federal level to State and local governments.

In terms of the issues mentioned above, all of this means we need more money for urban transportation. Flexibility needs to be retained at the Federal level by the Secretary of Transportation. Finally, some policymaking discretion needs to flow to the local level in terms of projects for which funds will be spent no matter whether they be highways, rapid transit, or downtown people movers. In the final analysis we at the local level look to the Congress to develop the basic concepts and to insure that those concepts come out the other end of the pipeline in local communities throughout this country.

In conclusion, I want to say that the National Mass Transportation Assistance of 1977 as drafted is an outstanding piece of legislation. I hope this is at the forefront of Congressional and administration priorities this year. It meets the issues and offers a constructive means for dealing with urban transportation problems. Its passage will be most important to all of us. Hopefully, these remarks will be of some assistance to you in carrying out your most important responsibilities.

Thank you.

I'm also hopeful that Secretary Adams will hold his next town meeting on rapid transit in Miami.

Senator WILLIAMS. Thank you very much, mayor, and your statement is helpful here and I think the new administration should look to your experience and judgments that have followed on the long process of developing transit plans for your metropolitan area.

I have no particular question, just to state my gratitude that you're here to help us in developing this very essential program in the country.

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Mr. CLARK. Thank you, Mr. Chairman. I failed to introduce my colleague who is the director or transportation for Dade County, which is a very large county, and if people don't know it's four times the size of London, England, so we need rapid transit immediately.

Senator WILLIAMS. As a matter of curiosity, what is your developing plan for rails? Where does it run?

Mr. CLARK. If you know Dade County, the initial stage stats down south in the Kendell area, moves forward through the city of Miami, out to the northwest section, and then to the Hialeah area out to the west.

Senator WILLIAMS. That means it goes toward the airport?

Mr. CLARK. Yes. It passes about 3 miles from the airport. It doesn't actually touch the airport but there are an awful lot of feeder systems into the airport that could be utilized. I think one of the decisions, that being the decision of right-of-way and also safety factors around the airport.

Senator WILLIAMS. Thank you very much.

Mr. CLARK. Thank you very much, Mr. Chairman.

Senator WILLIAMS. The American Public Transit Association, James McConnon, chairman of the board, Southeastern Pennsylvania Transportation Authority.

Senator HEINZ. Mr. Chairman, if may, I'd like to take this opportunity to especially welcome Jim McConnon here before the committee. I suspect he's been before the committee on previous occasions. I am, of course, a new member of the committee but I do know of the work that he's done for SEPTA. He's a very distinguished public official and public servant. He has at times been accused of running everything in that mass transit authority from trains to the management system and he's clearly one of the best informed, most dedicated, and truly expert people in this field, and I want to take this opportunity to personally welcome Jim McConnon and his staff who have been helpful to my House and Senate office over the years with information, with ideas, with counsel. And, Jim, I'm glad to see you here.

Mr. MCCONNON. Thank you very much, Senator.

Senator WILLIAMS. I'm delighted to hear the background and we appreciate your being here and I know all you've meant to the metropolitan area, sir, and the Nation too, as you have contributed to our deliberations over the years. Proceed any way you please.

STATEMENT OF JAMES C. McCONNON, CHAIRMAN OF THE BOARD, SOUTHEAST PENNSYLVANIA TRANSIT AUTHORITY

Mr. MCCONNON. Mr. Chairman, I'd first like to introduce my colleagues, if I may. I'm James McConnon, chairman of the board, Southeast Pennsylvania Transit Authority. I have with me today Mr. Lawrence Stoltz, who represents the city of Philadelphia on the SEPTA Board, and my other associate is Peter Young who's a member of the SEPTA staff.

Mr. Chairman, I would respectfully request, if it meets with your approval, to have the prepared statement that has been submitted made a part of the record.

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Senator WILLIAMS. It certainly will be.

Mr. MCCONNON. That covers completely my remarks and if it is satisfactory I'd just like to briefly summarize the points that I'd like to make.

Senator WILLIAMS. Excellent.

[Complete statement follows:]

STATEMENT BY JAMES C. MCCONNON, SEPTA CHAIRMAN

I am James C. McConnon, Chairman of the Southeastern Pennsylvania Transportation Authority, or SEPTA. SEPTA has responsibility for all public transportation in the five-county region of Southeastern Pennsylvania including Bucks, Chester, Delaware and Montgomery Counties and the City/County of Philadelphia.

SEPTA service include all modes of public transportation including the operation of some 1600 buses, 125 trackless trolleys, 340 streetcars, 500 subway and elevated cars and 390 railroad commuter cars in service carrying about one million passengers each day. Our total operating expenses, including ConRail's estimate of cost for providing Commuter services, is approximately $244 million per year, with passenger revenues of approximately $104 million. In 1977, SEPTA presently anticipates receiving about $125 million from Federal, State and Local sources, leaving us with an unfunded deficit in 1977 of $15 million.

I have summarized this budget situation in order to highlight the significance and importance of the provision in S. 208 which extends the Section 5 formula grant program and which provides for increased funding to meet operating expenses. In 1976 SEPTA received $18 million of Section 5 funds under the present distribution formula, which is equal to about 6 cents per passenger, and less than 20 percent of our operating deficit.

A committee of the local elected officials participating in SEPTA has been considering for the past several months the means to finance SETPA's operations. At its meeting last month, the committee unanimously approved a resolution that "the Committee supports efforts to have Federal Transit Legisltaion changed to reflect system needs. The UMTA Section 5 formula should be revised to more equitably treat the more densely populated urban regions with commitments to transit systems and services."

S. 208 proposes to deal with this problem through a $250 million per year discretionary fund which would supplement the regular Section 5 formula grant program. It may be appropriate for the legislation to direct the Secretary of Transportation to allocate these funds according to a formula, to be prescribed by the Secretary, which takes into consideration such factors as ridership and levels of service operated in each area. This approach would avoid the necessity of Congress legislating the precise formula, but would also remove the uncertainty associated with a discretionary grant program.

A significant portion of SEPTA's operating budget is allocated to provide commuter railroad services on some 13 railroad lines carrying about 115,000 passengers a day to and from Center City Philadelphia. The 1973 and 1976 Railroad Reorganization Acts have momentarily prevented a major crisis in railroad services, but as written have only postponed the crisis. Of great significance to SEPTA is the new UMTA Section 17 program which is providing 100 percent federal aid for increased costs of commuter railroad operations from April 1, 1976 to March 26, 1977; 90 percent federal aid for an additional year to March 1978, and then dropping to 50 percent for six months to October. The Section 17 program then expires and local agencies such as SEPTA are expected to absorb the entire financing burden associated with these commuter services. The Rail Services Planning Office (RSPO) of the ICC has published standards in the Federal Register defining the basis for determining the amount of subsidy required for commuter service. The standards are not limited to true avoidable costs but provide for allocation of many other costs to local commuter services. The present legislation prohibits "cross-subsidization" between freight, long-haul passenger (AMTRAK), and local commuter service. Federal legislation should better define the allocation of cost between freight, intercity and local commuter service.

According to the RSPO allocation formula, the subsidy required for local commuter service in the SEPTA area is estimated by ConRail to be about $50 million per year, compared with $26 million paid by SEPTA prior to 1976. This doubling

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of expected subsidy presents an impossible financial burden on State and local governments. The alternative of stopping the train service, of course, presents an even more impossible situation in terms of the energy supply, the local environment and the economy.

The present UMTA Section 17 program is helping to preserve commuter railroad passenger services in Boston, Rhode Island, New Jersey, Philadelphia, Maryland and Indiana. Congress has recognized the national need for preserving and improving railroad service. In the process, however, local agencies are being forced to deal with a financing problem over which they have practically no control, and which they cannot realistically accommodate. It should also be pointed out that other local commuter rail services in New York, Connecticut, Chicago and San Francisco are receiving no financial benefit from the present Section 17 program.

S. 208 proposes to deal with this railroad problem through the $250 million per year discretionary fund. One way or another, this problem must be resolved within the next 12 months, as present legislation requires local commitments by January 1978 as a condition of any Section 17 assistance after March 31, 1978. This means appropriate funding should be provided in the federal fiscal year beginning next October (fiscal 1978). SEPTA supports a direct extension of the Section 17 program at the 90 percent funding rate which is in effect for the period of March 1977 to March 1978.

There is a critical need for an increase and extension of the Section 3 capital grant program. The Philadelphia Metropolitan Planning Organization (the Delaware Valley Regional Planning Commission) has developed a transit capital program for the region (which includes portions of southern New Jersey as well as the SEPTA area) which would require federal funding of approximately $1 billion through fiscal 1982. We have been notified by UMTA that only $120 million remains available to the SEPTA region from the authorizations of the present Section 3 program. Current active projects such as the purchase of new Broad Street subway cars, the purchase of new trackless trolleys, etc. will consume this remaining $120 million within the next fiscal year. SEPTA supports and urges prompt action on the proposed funding for Section 3 as well as the change in the definition of construction to include engineering cost which is proposed in S. 208. It is our understanding that this new definition would be interpreted to include the preparation of environmental impact assessments as required for capital projects.

SEPTA supports the provision in S.208 for local initiative in securing access to transit systems for the elderly and handicapped. SEPTA, in 1975, formed an Advisory Committee on Elderly and Handicapped to act as a forum for discussion on the extent and the means by which SEPTA would provide accessibility for the elderly and handicapped. In the spring of 1976, with the publication of the joint UMTA/FHWA regulations on Elderly and Handicapped, SEPTA held a series of public hearings in an effort to collect public comments and suggestions on the question of accessibility. These hearings were quite well attended, and many suggestions were received, although they were very diverse, both in their scope and direction. As a result of these hearings and with the advice of the Advisory Committee, the Board of Diretors of SEPTA unanimously adopted a resolution on September 22, 1976 setting forth a policy that SEPTA's capital improvement program would include provisions to improve accessibility to the existing transportation system, and that a specific program would be developed to provide and integrate fully accessible service for the elderly and handicapped.

SEPTA has developed this program in a way which reflects local initiative and is especially adapted to the existing system within which it operates. It is our position that maximum latitude at the local level will insure the best result in terms of real accessibility to transit services. This approach, particularly with respect to modernization of existing fixed rail facilities, we believe to be preferable to unproductive efforts to comply with restrictive national criteria.

In summary, SEPTA supports S.208 and the efforts of Senator Williams and this Committee to consider prompt action on major new legislation for mass transit programs.

We support the proposed extension and increase in the present UMTA Section 3 capital grant program.

We support efforts to revise the distribution of Section 5 funds to reflect the urgent needs of large and small urbanized areas.

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We urge prompt action on a continuation of the Section 17 emergency operating assistance program at the 90-percent level for commuter railroad services.

We support federal legislation which encourages the maximum flexibility for local areas to develop effective accessibility to transit services for elderly and handicapped persons.

Mass transit is not a sink-hole for government subsidy. On the contrary, it is a principal means for maintaining the economy and environment of our most populous metropolitan areas. The need is to maintain and re-structure mass transit systems and operations to produce the greatest net benefit. This need is directly related to the mobility, economy and revitalization of our cities and of the nation. Mass transit can and does move millions of people every day from home to work, from home to hospitals and other service agencies, from home to school. The very shape and economic fiber of many of our cities is based on the transportation systems which have been built over the last 100 years.

The availability of gasoline for the last third of this century clearly is insufficient to continue the urban mobility to which we have become accustomed. Mass transit systems which have been allowed to deteriorate while fares have increased, facilities have worn out and equipment has become overaged can no longer meet the challenge of the mobility needs of our cities. Under the present UMTA program, a significant start has been made. This investment may be lost if the program stops in its tracks through lack of legislation this year.

Thank you.

Mr. McCONNON. First, I would like to say that we support S.208. We consider it to be not only an outstanding piece of legislation but a vital piece of legislation that is a required item for the mass transit industry and certainly from the perspective of one of the largest and oldest and most varied transit systems in the United States.

As I say, we support the bill. There are certain points I would like to emphasize. The first is with respect to the provision in the bill for the support of a proposed extension and increase in the present program providing Federal grants for capital improvements projects. This is an absolute must.

As the chairman of this committee knows from his years of experience in leadership in providing the support in this area, one of the greatest problems that the mass transit industry faced from the time beginning after the Second World War was the virtual abandonment of the supply industry, the virtual abandonment of confidence that the mass transit industry in fact would continue to exist and would operate, and what has been done and specifically with respect to the long-term authorization for Federal grants has provided an underpinning if you will, a matter of degree of confidence on the part that industry and local government can have that in fact the transit industry and its programs will be carried forward.

The provision in the bill for the extension and increase in the Federal grants for capital improvement projects is vitally necessary to continue that confidence and indeed anything to the contrary would have a very negative effect reducing that confidence.

The second item I'd like to address is the provision relating to operating subsidies. We certainly support the increased amounts that are provided by the bill and along with them the revision of the method of distributing the Federal funds for operating costs to reflect the urgent needs of the large city transit operators.

We support the concept of providing for flexibility in this and in the hands of the Secretary of Transportation as the bill provides.

The third point that I would like to make is the provision in the bill supporting and encouraging the development of provisions for

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the accessibility of the elderly and handicapped to transit systems. We support this entirely and particularly the maximum local flexibility in meeting those demands. This is particularly important in the case of the older systems such as we have in SEPTA. Bear in mind that some of our fixed rail systems are 50, 60, and 70 years old. They have problems built into them by virtue of their original location and construction and by virtue of the changes that have taken place over the years and in order to make those systems serve the purposes that the Congress has made clear it wishes to serve the flexibility at the local level is important.

As a past chairman of the IRT Committee on the Elderly and Handicapped—indeed, I was the first chairman of that committee—I had an opportunity to view very closely the importance of mass transit to the elderly and the handicapped and at SEPTA we have undertaken to carry that forward.

We have had excellent cooperation from the good leadership that's been provided to the elderly and handicapped in our area and our feeling is and our experience is that we can accomplish a great deal and a great deal more under the concept as set forth in S.208 and we would certainly support that.

The final point that I would like to make is with respect to the operating assistance for the commuter railroad systems. The bill does include among its elements to be provided for the additional operating subsidies. It deals with the problem of the commuter rail systems, particularly as impacted by the ConRail organization.

I would respectfully suggest and encourage the committee, to consider in dealing with the commuter rail problem and particularly the subsidy problem at the local level occasioned by the ConRail takeover, to consider continuing the approach that was reflected in section 17 of the existing legislation, the point being this: that very clearly the tremendous impact of increased costs at the local level—and in our case we are looking at a virtually doubling of the subsidy requirement at the local level—is occasioned by the requirements imposed by Congress in establishing ConRail and I believe as the Congress recognized in setting up the emergency relief legislation, the railroad problem and the reorganization problem that brought about ConRail was recognized as a national problem that required a national solution and we at this point are making no comment on the subject of that legislation. We consider that's a matter that Congress has dealt with, but in doing so, it has had a fallout effect in an area such as southeastern Pennsylvania.

Over the years, in fact from the very beginning, southeastern Pennsylvania was the first region in the country to adopt the program of purchase of service in order to maintain the operation of the commuter rail systems. As an example, we purchased service from the commuter railroads reflecting a negotiated subsidy on the basis of their avoidable costs. Those are the costs that were occasioned only by the operation of the commuter rail system. We carried that program forward until the time of the ConRail takeover.

Under the legislation establishing Conrail, it has become incumbent upon us to absorb a great deal more of the costs associated with the operation of the commuter rail system in our region and, as I say, at

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this point we are now negotiating with Conrail with respect to the operation of that system and we are looking at an increase in costs occasioned by the takeover that virtually doubles the deficit that we're faced with.

Now as I say, this increase in cost essentially evolves from the resolution of a national railroad problem. We submit that it would be proper to recognize the problem, as the emergency relief legislation has done, and provide specifically and separately for the subsidy or continued relief with respect to that problem so long as it continues; my concern being that if that is lumped into the other operational subsidy requirements for mass transit, in effect, in our area, we will be forced to compete with the other areas for those funds including the funds occasioned by this national problem that in effect was thrust upon the region.

The same problem, of course, occurs in the other areas served by commuter rail systems, and I would respectfully suggest that the committee consider continuing to deal with that problem as a separate issue.

Essentially, Mr. Chairman, those are the principal points I would like to address and I very much appreciate the opportunity to come here to express our support for the bill before the committee.

Senator WILLIAMS. Thank you very much.

You were here during Secretary Adams' testimony?

Mr. MCCONNON. Yes, I was.

Senator WILLIAMS. It might have been difficult to follow all the way through. We had some confusion on the presentation of projected moneys and sources over the next few years. But did you get a sense of the philosophy here and what was your reaction to Secretary Adams' new approaches, some were difficult to understand, for me at least.

Mr. MCCONNON. Let me say first, Mr. Chairman, I listened carefully to Secretary Adams' presentation and I have read his statement and I sat with Secretary Adams on the National Transportation Policy Study Commission when he was a member of that Commission. I believe it does reflect, as he stated before he concluded his testimony, his personal commitment to mass transit and his desire to further the required ends and legislative objectives of mass transit.

The chairman suggested that he was disappointed by the presentation. As I reviewed it from a point of view of an operating system with our responsibilities, I felt some concern and specifically with respect to the handling of the capital projects. We in southeastern Pennsylvania have an ongoing capital program and we are relying on some of those grants, some of those commitments and obligations and assurances or whatever specific term is provided, but we are proceeding on the basis that those represent genuine undertakings by the Federal Government to support the ongoing program.

Now the best way I could understand what was being said was that in effect the money, if you will, or the authorization reflecting money, that enabled those commitments to be made would now be proposed to be used to encourage other commitments for new starts, so to speak, and at the otuset I'm troubled as future commitments, so it's imperative that it be maintained. I think he recognized that.

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The problem we have is that the new Budget Act for the future precludes the contract authority approach with the 5-year commitment. Unless you change the basic Budget Act, you're not going to be able to do that any more. It does not preclude it where it's already been undertaken, which covers all those cities there in black on the chart, but it precludes it in the future and, therefore, we are going to really have to wrestle with the problem of how and what kind of assurances you can give since you're limited to your period. But he was very clear afterwards in saying that he recognized the commitments that have been made have to be honored. They have been undertaken and the contract authority is there and, in effect, the money has been set aside.

Mr. McConnon. Well, if that's the case, then it would be to me accepting what else has been said it's going to provide no basis for new starts.

Senator Sarbanes. Well, he recognizes that, and I think that's the problem that we really have to address ourselves to, one, to provide a basis, and then, two, we will have to then contend with the fact that the new Budget Act puts that basis into a 2-year time frame instead of the old 5-year contract authority period which I recognize creates problems for communities.

Mr. McConnon. If we're squeezed into that position, I would say it will present a very serious problem. As the bill before the committee sets it forth, if that could be carried out on that basis, we would be able to continue, as Senator Williams pointed out, with the program. Now if what I understand is correct from what you're saying the current budget legislation or rules prevent that from being done, I would say the impact from that would be very serious.

Senator Williams. Could I ask about Philadelphia's system? It appears on our chart under fiscal 1977 as $240 million. Are you familiar with which project that would be?

Mr. McConnon. That would be the center city commuter connection.

Senator Williams. Is that the subway?

Mr. McConnon. That's the connection between the two railroads.

Senator Williams. Now that has been in development—in planning for a long time?

Mr. McConnon. Ten years.

Senator Williams. Now that 1977 column, Philadelphia happens to be at the top, these are the commitments that Senator Sarbanes was talking about. These Secretary Adams has assured us are indeed hard commitments and will be honored. Here's where we run into the problem, in 1978. Are you familar with the $700 million that appears there for Philadelphia and what the application and project is?

Mr. McConnon. Yes. Well, in fact, there are a number of projects. The city of Philadelphia, for instance, is most eager to get started on new cars, new facilties for the Broad Street subway. The Broad Street subway is 50 years old and we are still running cars on it that came with the original facility. We don't want to wait on that, no way.

Senator Williams. Let me ask you now, we have described that group where the funding is not certain now as applications that are pending. Has Philadelphia actually submitted applications?

Mr. McConnon. Yes; the application was submitted last month and there are other applications covering other elements of the ongoing

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transit system that are included. Our total requirements during the period covered by this bill would be $700 million of programs that have already been developed through our planning process, the Regional Planning Commission and so forth. We were told by the UMTA Administration—in fact we were told and it was stated in a letter published in the Evening Bulletin in Philadelphia, that there was only $120 million left available to meet those $700 million in requirements that are real requirements of an ongoing system carrying close to 1 million people a day. This is the kind of need that we're faced with.

If that ability to deal with those new projects is adversely affected by this budget requirement, I would say it's a serious problem.

Senator WILLIAMS. I just have one further comment. We won't pursue it now. We recognize the problem in section 17 and it was necessary and we are mindful of the history of 17 and what it was designed to do then and what had to be understood for the future. It was necessary for us to put that in here and I recognize the competition you will be in with commuter rails. That will be part of our further discussions here as we try to preserve the system we don't want to see lost.

Mr. MCCONNON. I appreciate that, Senator. I have a copy of the letter from UMTA Administrator Patricelli which was published. With your permission, I'd like to insert that in the record if I might.

Senator WILLIAMS. It will be included in the record.

[The letter is reprinted as follows:]

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14 · MONDAY, NOVEMBER 22, 1976 A

Bulletin Forum

Our Readers' Views

On tunnel "reanalysis"

I read with interest your editorial entitled "New Transit Totals" (Bulletin, Nov. 14). You stated there that Secretary of Transportation William T. Coleman, Jr. "waited until nearly the end of his service with the Ford Administration to announce the full amount of Federal transit aid Southeastern Pennsylvania should be receiving over the next four years."

The facts are quite different. During my visit to Philadelphia on July 22, 1976, I stated several times that the Philadelphia region could expect no more than $560 million in Federal transit capital funding over the next several years. The figure is based upon $240 million for the Commuter Connection, $200 million in Interstate transfer funds resulting from the withdrawal of the Cobbs Creek Expressway, and about $120 million over the next four years from the discretionary funds of the Urban Mass Transportation Administration. My July remarks were reported by only one local newspaper and apparently did not come to the attention of your editorial staff. Those figures are the same ones discussed by Secretary Coleman in recent days.

With regard to the Commuter Connection, the question is not whether $560 million would permit the region to do everything it needs to do and to build the tunnel as well. Rather, the issue is whether the tunnel project is still needed and justified in light of changing conditions. The Department's expressed willingness to consider reprogramming of the funds reserved for the Commuter Connection is designed to encourage local reanalysis of that issue.

Finally, I note that you refer to "massive grants Mr. Coleman's department has been announcing for cities like Detroit, Atlanta and Baltimore." You should recognize that Secretary Coleman and I are committed to the revitalization of our major cities. These grants support local community development efforts and, I believe, strongly merit your support.

Robert E. Patricelli
Administrator,
Urban Mass Transportation Administration
U.S. Dept. of Transportation
Washington, D. C.

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Mr. McConnon. This was what was published publicly and told the people in the community to meet the $700 million requirements we had $120 million as of the end of this current funding period which is why we need the ongoing funding capacity.

Senator Heinz. Mr. Chairman, I had a couple questions that I think you covered very effectively. I have just one last one for you, Jim. That is, what whould be the effect on SEPTA if the additional operating subsidy moneys provided in S. 208 were not approved at the additional $250 million per year level?

Mr. McConnon. Well, in terms of the relative problems that we face, that is really the most immediate and I think I can say without hesitation it is a critical matter. S. 208 makes available the additional operating funds that are required not only by SEPTA but by the other systems, and our situation is such that we have been going through in our region a process to attempt to establish a permanent predictable funding base for the SEPTA transit system. All the leading local elected officials have been meeting trying to resolve this. It is anticipated that legislation will be introduced in Harrisburg to attempt to meet this. In other words, real local commitment is so important in the process of evolving this.

Now at the same time, for instance, next Wednesday, public hearings are being held on an increase in the commuter rail service of the fares and our staff has proposed a 20 percent increase in those commuter fares. Moves are being made, important moves, significant moves to establish a funding base of the system. At the same time, we in fact face a runout of cash in the transit system sometime in May.

Now this is a real serious pending problem. We are depending upon these operating subsidies to assist us not just in solving that problem but to assist the local communities and the State in meeting that problem.

Now I think it's fair to point out, Senator, that the original concept of the operating subsidy at the Federal level was not for the Federal Government to take over the subsidy of the transit systems, but it was I think to reach something in the area of a third—reflecting a third against the local contributions. Now that wasn't specifically required in the legislation but that was the idea, the concept. The fact of the matter is that SEPTA in this past fiscal year will receive less than 20 percent of its operating subsidy from the Federal Government from these funds. We haven't come close to reaching that third.

Part of that comes from the particular formula under which those funds have been provided. That's one of the reasons that we propose and recommend a modification of the distribution of the additional funds and urge the committee to support the proposition of the bill that would give flexibility to the Secretary in making them available. But for us, it is a matter really of crisis and we, along with others, are depending upon the provisions in this bill to make those funds available.

Senator Heinz. How does that 20 percent Federal participation share of the operating subsidies compare with what exists in other cities such as New York and others?

Mr. McConnon. Well, I think some areas have gone higher and been able to require a higher amount. I don't know what specific provisions are in other cities, but I think, in general, the total level of

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participation by the Federal Government in local subsidy has been far less. In fact, it's been around 20 percent or less in larger areas. So I would say the average experience is about the same as ours. I think the problem is that from the time that this concept was first developed and the effort was made to move it forward until it came into being, the problem continued to escalate and what happened was that the State and local governments moved to meet it. So the local taxpayer through his local community has in fact been required to put in a much higher amount than was originally conceived by the Congress when this was adopted. That's why the percentage of Federal participation is much lower than I think anybody considered it would be.

Senator HEINZ. Well, we in this section of the bill obviously do grant the Secretary discretion as to how he can apply that money and there will be some basis of need, but do you have any suggestions either to him or to us as to what his definition of need should be?

Mr. MCCONNON. Yes. I would just amend my last answer to you, that generally in the smaller communities which receive the Federal funds the percentage of participation of the Federal funds was at a much higher level, reaching the area of 50 percent in areas in which the experience did not produce that much in the way of local contribution, but in the larger systems, particularly in the older cities, the percentage was extremely lower and that's one of the reasons that we urge that the formula be reviewed in order to provide the funds to a greater extent where the need exists and not simply on a basis to provide the funds for their own sake.

So far as the formula is concerned, I'd be very happy to suggest a formula that was proposed by the Deputy Secretary of the Pennsylvania Department of Transportation as a suggested approach and one which we would consider has merit. That would be 25 percent based on population, 25 percent based on population density, 25 percent based on passenger revenue, and 25 percent based on service level as measured by revenue vehicle miles.

That's one way of allocating those funds that reflects some of these other considerations. Underlying that, I would like to suggest that there is a factor that I don't think has ever been really considered or be reflected in the Federal funding in these cases and that is that many of our older communities such as Philadelphia, New York, Chicago, Boston, and other cities have for many years—and I mean as far back as 100 years—have provided local tax dollars to maintain mass transportation in their regions. Now that was just for their own—the effect was not just for their own benefit. By doing that, by providing mass transportation in those cities, they saved undoubtedly billions of dollars that otherwise would have been required to provide equivalent highway systems in those communities even if that could have been done.

Now, I think it's fair to give some credit, if you will, to the expenditure—the historical expenditure that has been made over the years by those communities and on the contrary what really seems to happen is they are penalized for having made that contribution

For instance, in Philadelphia, we have the Frankford elevated which goes back to 1907. The total line does, and is seriously in need of repair, and one of our capital projects is to redo that. By having built

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it we have it here. It's not a new line. It's not like the Washington Metro, which I had the pleasure of riding on today, which is a magnificient facility to use. Well, we have that system in place. You can't redig a tunnel. We have to use what's there and we aren't proposing that we dispose of what's been invested and go out and spend new money for new purposes, but it's impossible, really, where an old system exists, to give the people really what you can give them with a brandnew line or system.

What we're saying is that they should get some credit for what they, themselves, did with their own tax dollars over the years and I think that should be reflected in how these operating subsidies are provided and, indeed, how capital funds are provided.

Senator HEINZ. Thank you very much.

Senator SARBANES. Mr. McConnon, I have just one question. You're a recognized expert in this field and you run a very complex system in the Philadelphia area, the southeastern Pennsylvania area. What is your own thinking on who ought to pay the costs of mass transit in terms of how we allocate it out amongst all of the various sources that now contribute to your total revenue picture? Are there any guiding principles? You know, a system gets in trouble and it runs somewhere for help in order to keep going, but are there any principles that we can follow that really provide some general guidance so at some point you say to one community, well, you're not doing what you ought to be doing; and another community, well, you're really doing more than you ought to be doing; and it's not fair? What's the Federal role, and the State role, and the farebox role in providing funding sources?

Mr. MCCONNON. Well, obviously, there is no easy answer.

Senator SARBANES. I know it's hard to answer that question today but I thought while we had you here maybe we could get your thinking.

Mr. MCCONNON. Senator, it's always a relevant question and it's one we are always attempting to address. I think the basic approach is one that this committee has over the years fostered and encouraged. It's that the first thing is that the operations, the ability to operate the transit systems must be made as economical as possible. In other words, every effort should be made to minimize the need for operating subsidies. That should be an ongoing requirement.

I think it has been recognized and it's been proved wherever it's occurred that the best way to do that is by capital investment. A new system can be operated more efficiently, more economically in every respect than an old system, and part of our problem, the biggest part of our problem is that we have abandoned that long-term capital investment and we are just beginning to make—I think we've got to rethink the amounts that are involved. I think that this committee—and I know Senator Williams over the years has been in the forefront in the efforts to get these capital funds available and this bill reflects that. I submit more needs to be done and I'm sure you gentlemen are aware of that, but if you look around the world where there are effective operating transit systems that serve the local needs, the first thing you know about them is they represent a massive capital investment.

Now I would say try that on mass transit on a cost-effective basis against any other form of transportation and I assure you you will not have to apologize for making the funds available. We knew in this country many years ago if we were going to have a highway system—

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and we have the greatest highway system in the world—there's nothing even comparable—that to get it you first had to make a policy decision, a political decision to be made that you were going to create that system and then the funds were made available to do it and nobody nickeled and dimed it. It was a lot of money, hundreds of billions of dollars were made available.

Now I think you have to think in terms of providing the capital system and once that is done, then I think your view of the operating capacity, and your operating efficiency, and the subsidy requirements at least you can then view them on a basis that has some parallel among other systems.

Until we accomplish that, we are faced with the problem of where can you get the money and what we have had to resort to is to get the money where the pressure is highest and in fact that's where the people can least afford it. As you know, our old transit systems serve older cities. We have a captive ridership and the important thing is to increase and expand that ridership so that we bring into it and have people depend on it who otherwise didn't.

An example again, through the farebox, is one key way to provide some of that revenue. In Philadelphia we have a subway system and as it happened in all cities after World War II the people fled the city and our ridership dropped because the people who used to ride the system went away, they disappeared. One of the most valuable things we did was build an extension of the Broad Street subway to the stadium. Now on paper that looked like a tremendous investment just to take people to the sports place. The effect of it has been, however, to bring back into that transit system whenever there's a sport event, and I mean to the football games and so forth, hundreds of thousands of people who otherwise would never know mass transit.

This, in itself, has had a very beneficial effect in awakening people to the value of mass transit, I, for one, in coming into Washington this first time, had the opportunity to ride the subway. I assure you it's the best ride in town on any basis, I don't care what kind of a limousine somebody has. That's a good ride to get you where you want to go faster than anything else. That's the reason for mass transit, not because it's cheaper or some other reason, but because it's a better way to move people and if you give people a better way to move they will use it.

In the meantime, we have to get the money where we can find it and that means where the need is great and that means we have had to go to our local communities. We have spread it to our metropolitan regions in southeastern Pennsylvania, our counties are participating, and it's not easy to persuade a county that has more farmers than suburbanites that they should contribute for operating subsidies for mass transit, but we have been able to do that. At the State level, again it's not an easy thing to accomplish. Unfortunately, we have prior commitments of many of our funds. The programs that make them unavailable for mass transit. We have to recognize that we have a highway program that spends, in our State, $1 billion a year on highways. We have yet to spend $100 million a year on mass transit in Pennsylvania.

Now we made a lot of improvements and the amounts have increased substantially, but I think total commitment has not really been made.

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I think we are reaching that in our region and that's why the commitments reflected in this bill are so important to us, because it will give confidence to those who are involved if they make those commitments they will be supported by the Federal Government.

Senator WILLIAMS. Thank you very much.

Our next witness is Walter Bierwagen, legislative representative, Amalgamated Transit Union. Mr. Bierwagen has been a valued witness and contributor to our deliberations over the years. Welcome back, Walter.

STATEMENT OF WALTER J. BIERWAGEN, LEGISLATIVE REPRESENTATIVE, AMALGAMATED TRANSIT UNION, ACCOMPANIED BY EARL PUTNAM, GENERAL COUNSEL

Mr. BIERWAGEN. Mr. Chairman, in the interest of time I'm going to attempt to paraphrase my comments with the notion that the written statement as we have it here corrected will be submitted to the reporter and will be put in the record in full.

Senator WILLIAMS. It will be and we appreciate that.

Mr. BIERWAGEN. Mr. Chairman and distinguished members of this committee: My name is Walter J. Bierwagen. I am presenting this statement on behalf of our international president Dan V. Maroney, Jr., and the members of the Amalgamated Transit Union, AFL–CIO, whom I serve as international vice president and director of public affairs. With me here today is our general counsel, Earle W. Putnam.

First, I would like to express my thanks for the opportunity you have extended to the ATU to present our views on needed legislation to improve upon and expand our existing urban mass transportation programs. Mr. Chairman, it is always a privilege to appear before your committee. This privilege is further enhanced now with the presence on the coming of Senator Paul Sarbanes. We welcome your bill and the opportunity it presents the Congress to address unmet urban mass transportation needs and to provide increased funding levels for the 5-year period beginning with the fiscal year 1978.

The Amalgamated Transit Union represents most of the employees in the local transit and over-the-road bus industries and has a membership in excess of 145,000. Approximately 80,000 of these work in some phase of the urban mass transportation industry as operating, maintenance, or administrative personnel. We testify here today in support of a policy position adopted by the AFL–CIO executive council at its meeting this week, which calls upon the administration and the Congress to strengthen and enlarge the Federal transit aid programs as part of an overall national effort to improve urban mobility, to create jobs, and to conserve energy. I understand that the AFL–CIO is preparing a written statement of its views on the legislation now pending, and will also transmit to your committee a copy of the policy statement on urban mass transportation, as adopted by the AFL–CIO executive council.

Over the last several years, our Nation has been experiencing persistently high unemployment rates in a less than fully productive economy, aggravated in these recent months by bad weather conditions and critical energy shortages which have caused temporary layoffs

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and plant shutdowns. The Congress, at the request of President Carter, is currently developing an overall program designed to stimulate the economy and to make more efficient use of our energy supplies. We believe that, if adequately funded, our urban mass transportation programs can make an important contribution to this effort to revitalize our economy, both by providing transit industry-related jobs and by making other job opportunities in nonrelated fields throughout our metropolitan areas more accessible to those who need them.

For each $1 million of final output, the urban mass transportation industry has been estimated to generate a total of 83.2 jobs, of which 55.8 are in the industry itself, and the rest in directly and indirectly related employment.

We also feel that urban mass transportation has a vital role to play in conserving petroleum. As shown by recent studies, the typical commuter car carries an average of 1.4 people and is one of the least energy-efficient modes of transportation. In contrast, a bus with 30 passengers is 6 times as efficient to operate per passenger-mile per gallon of fuel, and a subway car with 35 passengers is 7 times as efficient. This suggests that we must rely more on mass transportation and less on the private automobile to provide mobility to all citizens of our urban communities.

A buildup of Federal support for mass transit, both capital and operating assistance, would also help with environmental problems, such as automobile air pollution, traffic congestion, and urban redevelopment.

Over the past 12 years much has been done under the Urban Mass Transportation Act and related programs to revitalize the urban mass transportation industry, and to place it in its proper role as a public service enterprise, providing mobility to all citizens rather than profits for a few. The tide toward wholesale abandonment and destruction of our industry, which could not support itself economically through the farebox, has finally turned. Today, almost everywhere across the country one can see service improvements and increased ridership. These, we believe, are directly attributable to the activities of this committee, and to the Congress as a whole, in developing the programs funded under the Urban Mass Transportation Act and its subsequent amendments. As a result of this landmark legislation and, in particular, the operating assistance program put in place in 1974 by the provisions of section 5 of the act, considerable progress has been made in many areas to retain or expand services deemed essential to the community and to provide those services at lower fares than would otherwise be possible. In the period since the energy crisis of 1973, the overall trend toward declining ridership has reversed and turned slightly upward. A number of cities report rider increases of major proportions, due in large part to significant service improvements marked by low-fare policies.

In light of current economic conditions and the fiscal crisis in many communities—New York City is not alone in this regard—there is serious doubt, however, that this upturn in ridership and improved service levels can continue without renewed Federal leadership and support.

We agree with you, Mr. Chairman, that new legislation, such as S. 208, is urgently needed this year to provide increased funding au-

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thority to carry out the essential requirements of an ongoing national transportation program. We know, from the testimony which others have presented to this committee in these hearings, that the industry, and most State and local public bodies, are fully supportive of such legislation. Every effort should be made to continue that broad base of support to assure enactment of this legislation.

The committee is aware, from our previous appearances before this committee by the AFL–CIO and by others in the labor movement, that one of the conditions upon which this broad base of support rests is the retention of appropriate standards of employee protection. We have noted with satisfaction that the committee has always insisted upon retention of section 13(c) employee protections. In spite of some testimony given here critical of the need of the labor provisions in the act, and in spite of efforts to dilute or emasculate the labor provisions by administrative fiat, we are confident that this committee will continue unchanged the historical employee protections originally enacted.

The most recent policy statement adopted yesterday by the AFL–CIO executive council reaffirms this view that any bill adopted by the Congress must not diminish the basic requirements of the existing law in regard to substantive labor protection. The policy statement further asserts the position of the labor movement that the interpretation, administration, and application of the labor protection provisions included in the Urban Mass Transportation Act and related programs are, and must remain, the exclusive responsibility of the Department of Labor under the terms and intent of these laws. We stress these policies of the labor movement for no purpose other than to make plain to this committee our concern that the progress of this needed transit legislation not be needlessly delayed or thrown into political controversy and confrontation. These labor provisions are longstanding benchmarks of worker protection founded in equitable principles of fair treatment of employees which have been consistently adopted by the Congress in transportation industry legislation for more than 40 years.

We shall direct the remainder of our comments to the substance of the bill, S. 208, introduced by Senator Williams, known as the "National Mass Transportation Assistance Act of 1977," which, we are pleased to note, does continue to make applicable the labor protections contained in section 13(c) of the act in regard to the new and extended programs provided by this legislation. In this context of amendment and extension of the Urban Mass Transportation Act, we fully share the view that the Federal program of aid to urban mass transportation should be expanded to a total authorization and funding of not less than $2.3 billion annually over the 5-year period beginning with fiscal 1978, as the bill would, in fact, make possible.

We further agree that the total funding available for operating assistance should be increased and extended through fiscal 1982, thereby assuring the continuation of essential services and the predictability of operating assistance for a 5-year future period. In this connection, however, we would go further than the bill does and provide for revision of the population formula contained in the section 5 program for operating assistance, to assure more equitable distribution of these funds on a per-rider basis. Under the current formula and experience,

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for example, urbanized areas of between 50,000 and 200,000 receive formula grant allocations of about $.25 per rider and $.43 per transit vehicle mile, as opposed to $.06 and $.18 respectively for areas over 1 million in population. Thus, the present allocation formula does not well serve the national interest and covers only a small portion of the deficits incurred in the 25 largest urban areas, while outside these areas the allocated funds are often more than can be used for both operating and capital purposes. This problem is at least partially addressed in the provisions of S. 208 creating the $250 million annual discretionary fund which is intended to supplement the formula grant program and provide additional funding to these needy cities. In this regard, however, we believe that more should be done to restore the balance of assistance to these areas of greatest need.

Nor are we entirely satisfied with the provisions of S. 208 which propose to set aside the first $500 million annually from the capital grant program solely for the acquisition of equipment for use in urban mass transportation service. We assume that much of this funding would have to be used for bus and rail facilities other than buses or transit vehicles, and that in total, this level of funding may not be adequate to meet the clear need of the industry for an expanded bus fleet. Assuming an average cost of $60,000 per bus, the purchasing power of $500 million spent on buses alone would permit acquisition of 8,333 buses per year, far more than the 5,000 new buses which, we understand, the transit bus manufacturers are geared to produce. But if a large portion of this set-aside funding must be used to purchase rail vehicles and other bus and rail-related equipment, the total amount appears inadequate. Moreover, we question whether it is desirable to allocate these funds on a formula basis devised by the Secretary of Transportation. A better way might be to establish funding priorities for new bus and rail equipment purchases for each urbanized area, based on regular equipment-replacement schedules and service requirements. In any event, we would favor adoption of a straight categorical grant approach for the funding of all capital improvement projects over any automatic fund distribution formula which will almost inevitably fail to allocate resources appropriately between areas in light of local needs and priorities.

We favor the provisions incorporated from last year's legislation which would allow nonurbanized areas to use their $500 million capital grant allotment for the payment of construction costs or operating expenses, provided only it is understood that the discretionary authority granted to the Secretary of Transportation does not include the right to waive any of the labor protective provisions administered by the Secretary of Labor.

We also support the provisions of the bill providing for elderly and handicapped transit accessibility which were included in last year's legislation, but here, again, we believe it should be made plain that the discretionary waiver authority conferred on the Secretary of Transportation under § 11 of the bill does not authorize the waiver of any of the labor provisions of the act administered by the Secretary of Labor.

We could not conclude this statement without urging this committee to reexamine the recommendations relating to no-fare transit contained in the December, 1975, report of the U.S. Congress, Office of Technology Assessment entitled "Energy, the Economy and the Mass

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Transit", especially at page 103 of that report. As you may recall, the AFL-CIO and the entire labor movement has long been on record in support of the concepts of no-fare transit, and we were pleased to win adoption of a new Federal program permitting the testing and operation of no-fare transit on a prepaid, tax-supported, experimental basis, as provided in title II of the National Mass Transportation Assistance Act of 1974. Although these provisions authorize $20 million per year for 2 years, to be expended for no-fare demonstrations in several cities, no funds for this program have ever been appropriated, and none have ever been requested by the Urban Mass Transportation Administration. In light of the O.T.A. findings and recommendations that no-fare transit would produce the largest increase in transit ridership of any action that has been considered, and that no other action could produce such large scale results so quickly, we would call upon this committee to reexamine the provisions of title II with a view to revising and updating these provisions, so that there will be no question that this no-fare demonstration program must still be carried out in accordance with congressional intent.

This concludes my prepared statement, Mr. Chairman. I should be happy to answer any questions the committee may have.

Senator WILLIAMS. Thank you very much, Mr. Bierwagen. We got so deeply involved in the basics of the program with the Secretary that I didn't get a chance to ask about his attitude on the no-fare effort that you're an authority on and we wanted to see whether we could give it more life than it's had. We'll get around to that.

There is a national agreement, isn't there, on 13(c)?

Mr. BIERWAGEN. There is a national agreement on section 5 that—there are efforts being made to discredit it, not to abide by it; not by us. We are perfectly willing to go along with it. It was negotiated in good faith by us and the industry. For reasons that others can better explain than I, they seek to sidetrack it and instead downgrade the whole process.

Senator WILLIAMS. At the local level; is that right?

Mr. BIERWAGEN. Well, it's reached the White House level in the previous administration.

Senator WILLIAMS. How about your members? You have been part of a national agreement?

Mr. BIERWAGEN. Yes.

Senator WILLIAMS. Now how about your local members? Have they been willing to go along?

Mr. BIERWAGEN. I would say 99 percent of our local members have signed up to the national agreement. There may be one or two who have failed to sign it and we are without the arsenal to say you've got to sign it because our employers are declining to sign it.

Senator WILLIAMS. How about the other unions? Is the situation the same?

Mr. BIERWAGEN. The other unions are a party to it. The other unions have signed up.

Senator WILLIAMS. Everybody is in at a national level on a national 13(c) agreement; is that right?

Mr. BIERWAGEN. Yes. That's for operating assistance. Nothing has been done on the capital grant program.

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Senator WILLIAMS. There's been some breakdowns at the local level, as you know, and I believe it was a new member of this committee, Senator Schmitt, that pointed to a delay because of an agreement on the 13(c) in his State. Are you familiar with that?

Mr. BIERWAGEN. Yes. Let me turn this over to Earl for a second.

Mr. PUTNAM. Mr. Chairman, I think that the situation in Albuequerque which I believe does not involve the Amalgamated Transit Union, but a different union, is not one in connection with the operating assistance program. I think it has to do with the capital grant program to which the national agreement does not apply. That's at least my current understanding of that. The national agreement was negotiated by the interested unions and the APTS for an endorsement at the local level by individual employer transportation agencies and the individual local unions, and in our case almost without exception the ATU locals have signed on to the national agreement and we have used the national agreement as a matter of national policy from the front office of the international union wherever we have had agreement at the local level by the employing agency and our local union to apply the terms of that agreement.

I think great progress has been made to expedite the program under the national agreement and it has not been particularly controversial in most instances, but I'm not sufficiently familiar with the details of the Albuequerque situation to know specifically the problem there.

Senator WILLIAMS. It is operating. It's under the operating part.

Mr. PUTNAM. I can't comment specifically on the UTU problem there.

Senator WILLIAMS. I'm advised that the situation was the reverse. Here, the local had an agreement with the city but it was out of whack with the national agreement and the mayor fears they're going to lose $700,000 a year because of this failure in operating expenses because of this.

Mr. PUTNAM. Well, I think there has been, if I may say so, some difficulty in winning concurrence from a number of cities to the concept of having a national standard that should apply to local areas, and there's a tension between local desires and national standards which exist in any situation at this point. But I think over the period since the national agreement was signed there's been an increasing acceptance of the national agreement and that agreement is about to have to be renewed or terminated as of the end of this fiscal year and it is our hope and expectation that the industry will continue to go with the agreement and that it will not be terminated.

Senator SARBANES. Mr. Chairman, I have no questions. I simply want to join you in expressing our appreciation to Mr. Bierwagen for as always a very thoughtful statement and say how pleased I am to see him here today.

Senator WILLIAMS. Very good. You certainly got a warm endorsement from him, Paul.

Thank you very much, gentlemen.

We now have a panel on accessible mass transit and Transbus and I have a corrected listing here, Jan Jacobi, American Coalition of Citizens with Disabilities; Dennis Cannon, consultant, Planning Department, Southern California Rapid Transit District; and Sieglinde Shapiro, President, Pennsylvania Disabled in Action.

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You're the anchor witness on these hearings and have the most prominent position. Everybody starts reading the hearings starting at the back, so you will be first to be read by others.

STATEMENT OF SIEGLINDE A. SHAPIRO, PRESIDENT, PENNSYLVANIA DISABLED IN ACTION

Ms. SHAPIRO. I might add that we express our regret for Ms. Kuhn, who's the national convenor of the Grey Panthers. She's taking longer than expected to recover from surgery and had hoped to join us here today and could not and Mr. Larry Roffee, from the Paralyzed Veterans of America, he had conflicting hearings on veterans affairs. They both planned to be here with us.

As you stated, Mr. Chairman, my name is Sieglinde Shapiro, and we appreciate very much the opportunity to appear before you and the other members of the committee today on behalf of Disabled in Action of Pennsylvania, the Paralyzed Veterans of America, the American Coalition of Citizens with Disabilities, Disabled in Action of Baltimore, Disabled in Action of New York, Disabled in Action of New Jersey, National Capitol Area Chapter of the National Paraplegia Foundation, National Caucus on the Black Aged, National Congress of Organizations of the Physically Handicapped, National Council of Senior Citizens, Pennsylvania Association of Older Persons and the United Cerebral Palsy Association of Pennsylvania.

Together, our organizations have a membership of over 5½ million disabled and older Americans.

Five times since 1970—I will not read our entire remarks and I would request that they be inserted into the record. I would simply like to highlight several points.

[Complete statement follows:]

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Statement of Sieglinde A. Shapiro,
President Of Disabled In Action Of Pennsylvania

On Behalf Of

Disabled in Action of Pennsylvania, Inc.
Paralyzed Veterans of America, Inc.
American Coalition of Citizens with Disabilities, Inc.
Disabled in Action of Baltimore
Disabled in Action of New York, Ltd.
Disabled in Action of New Jersey, Inc.
National Capitol Area Chapter of the National Paraplegia Foundation, Inc.
National Caucus on the Black Aged
National Congress of Organizations of the Physically Handicapped, Inc.
National Council of Senior Citizens, Inc.
Pennsylvania Association of Older Persons, Inc.
United Cerebral Palsy Association of Pennsylvania

Before The

Subcommittee On Housing and Urban Affairs
Committee On Banking, Housing and Urban Affairs
United States Senate

February 25, 1977

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My name is Sieglinde A. Shapiro. I appreciate the opportunity to appear before you today on behalf of Disabled in Action of Pennsylvania, Inc., Paralyzed Veterans of America, Inc., American Coalition of Citizens with Disabilities, Inc., Disabled in Action of Baltimore, Disabled in Action of New York, Ltd., Disabled in Action of New Jersey, Inc., National Capitol Area Chapter of the National Paraplegia Foundation, Inc., National Caucus on the Black Aged, National Congress of Organizations of the Physically Handicapped, Inc. National Council of Senior Citizens, Inc., Pennsylvania Association of Older Persons, Inc., and United Cerebral Palsy Association of Pennsylvania. Together our organizations have a membership of over 5.5 million disabled and older Americans.

Five times since 1970 the Congress has enacted legislation to guarantee disabled and elderly people equal access to public transportation. In Section 16 of the Urban Mass Transportation Assistance Act of 1970, Section 165 of the Federal-Aid Highway Act of 1973, Section 105 of the Federal-Aid Highway Act Amendments of 1974, and Section 315 of the Department of Transportation and Related Agencies Appropriations Act of 1975, the Congress affirmatively directed the Secretary of Transportation to assure that federally supported mass transit equipment and facilities are designed so that all mobile disabled and elderly people can effectively utilize public transportation. In Section 504 of the Rehabilitation Act of 1973, adopting verbatim the provisions of Title VI of the Civil Rights Act of 1964, and applying to handicapped people its prohibition of exclusion, denial of benefits, and discrimination in any program receiving federal financial assistance, the Congress again affirmed its accessibility mandate.

The Congress was clear and explicit that the enactments would require that all new federally assisted mass transit equipment meet the needs of the elderly and the handicapped and that as transit vehicles are replaced and new facilities designed, they are to be rendered as maximally accessible as the state of the art will support. The history of the statutes is clear that the Congress expressly rejected separate transit systems for mobile disabled and elderly people both because they are more expensive[1] and because they would further segregate the elderly

[1] The Department's cost-benefit studies released in April 1976 confirm the Congressional judgment: Separate systems would cost 3 to 5 times more than making all buses accessible. U.S. DOT, Transportation Systems Center, An Inflationary Impact Statement of UMTA's Proposed Elderly and Handicapped Regulations, 19-23, 32-33 (March 4, 1976). An independent survey by the American Public Transit Association estimates that substitute services would cost 10 to 25 times more than the annual cost of replacing the nation's bus fleet with low-floor, ramped TRANSBUS. APTA, Costs of Implementing Regulations on Elderly and Handicapped Transportation Services (January 16, 1976).

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and disabled from society.[2]

The early and contemporaneous interpretation of the Congress' accessibility mandates by DOT General Counsel held that all vehicles (as they are purchased) must be maximally accessible to all mobile disabled and elderly and that the substantial compliance rule is a dynamic one, "as knowledge and technology advance . . . the statutory obligation expands." (J. Thomas Tidd, November 27, 1973)

The technology now exists to carry out the Congress' five times repeated mandate on accessibility. That technology--demonstrated and proven through the TRANSBUS program--now makes available a low-floor, ramped bus accessible to over 13 million elderly and handicapped Americans whose disabilities range from arthritis, multiple sclerosis, and palsy to muscular distrophy, which render access by steps impossible or prohibitively difficult or painful.

The issue is now whether the low-floor, ramped TRANSBUS specifications are to be required for all new buses purchased with federal financial assistance.

Because of the long-life of buses (12 years on the average) and because of the need to amortize the costs of a new design over a sufficient number of years, this decision on bus specifications will determine the shape of transit buses for several years, even decades. Because the benefits to the general transit riding public, to disabled and elderly people across the country, to competition in the bus industry and toward financially healthy urban mass transportation systems weigh so heavily in favor of adopting low-floor, ramped bus specifications, the low-floor TRANSBUS specification must be issued now.

Seventy percent of the American people who now use public transportation in the United States use buses -- a national fleet of some 50,000. Since 1958 the public has travelled on the same standard bus -- a 34" high floor model originally designed by General Motors. Federal financial assistance pays -- and since 1964 has paid -- 70% to 80% of the capital costs of that fleet of buses.

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[2] The full legislative history of the enactments is set out in our amici curiae brief in United Handicapped Federation v. Andre (No. 76-1369, Eighth Circuit Court of Appeals) 56-83.

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In 1967, during the final years of the Johnson Administration, the National Academy of Engineering under contract from the Department of Transportation conducted an intensive panel study, in which all elements of the mass transit industry participated, to specify the design characteristics of a new generation of buses, the purpose: "to take the largest possible single step forward in bus technology and design within the existing state of the art." The National Academy concluded that a low-floor bus was "The most desirable means for improving bus transportation."

Subsequently, in the TRANSBUS Project, conducted with the three American manufacturers (GM, AM General, and Rohr) of full-size buses, UMTA expended $27 million to design, develop, test and evaluate a low-floor bus. The final reports on the TRANSBUS research and development project were released in April, 1976. Those reports concluded that a low floor (17 to 22 inch) single step bus with a ramp, which can be rapidly extended to provide "level" boarding, is technologically feasible and announced specifications for an improved, accessible, attractive and cost-effective bus which can now be put into production.

The UMTA reports, comparing the TRANSBUS to the current standard bus and to the RTS II, a "new" bus proposed for production by General Motors, showed the following benefits inter alia from the TRANSBUS:

- boarding time is halved by the TRANSBUS
- trip-time is reduced by 10%
- revenue miles-per-driver's - wage dollar is increased 5%
- the ride quality (noise, vibration, temperature) of the TRANSBUS approaches that of passenger cars.
- passenger, traffic and pedestrian accidents, and insurance costs, will be substantially reduced - boarding/alighting accidents will be cut by 20%, on-board accidents by 35%; traffic accident costs by 25%, total insurance costs by 20%
- maintenance and repair costs remain constant on a unit basis
- ridership increases (exclusive of the elderly and the handicapped) up to 10%
- "improvement for the elderly will be significant only on the low-floor TRANSBUS design"; "accessibility for the handicapped can only be achieved on a low floor, TRANSBUS at a reasonable additional cost and without introducing significant operational problems"
- increased handicapped ridership alone will reduce operating deficits by 4% to 10%.

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In addition to its benefits for the general ridership and to urban mass transit itself, the low-floor, ramped TRANSBUS is accessible to 13.3 million disabled or elderly Americans who cannot negotiate steps; neither the current bus nor the RTS II is accessible.[3]

At hearing before the Department and UMTA on May 5, 1976, two manufacturers (Rohr and AM General) testified that low-floor, ramped buses could be rolling off the production line by July 1, 1979.

Last session of Congress, this Committee concluded in its report on S. 662, S. Rep. No. 356, 94th Cong., 1st Sess. 5 (1975):

> The Urban Mass Transportation Administration has been working on a full sized wheelchair -- accessible transit city bus called TRANSBUS and currently has three prototypes that provide a lower floor, and either a ramp or lift to provide access for persons in wheelchairs. The Committee believes that American technology is advanced enough to be able to utilize the best aspects of these vehicles to produce at least one design that in fact will meet the needs of most elderly and handicapped individuals and expects the Secretary of Transportation to take all appropriate actions necessary to ensure that accessible buses are made available for purchase."

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3 The specifications which UMTA adopted at General Motor's urging last July 27 mandate an adjusted floor height of 24" after use of a "kneeling feature." TRANSBUS specifications call for an adjusted floor height of 12 to 17 inches with the use of the same "kneeling feature." Only the low-floor TRANSBUS specification allows for effective use of a ramp to provide level boarding for elderly and handicapped passengers. UMTA wrongly views the accessibility issue as one of accomodating those who use wheelchairs. The low-floor TRANSBUS specification would provide access not only to wheelchair mobile persons but to an additional nearly 12 million elderly and handicapped persons whose disabilities range from arthritis, multiple sclerosis, and palsy to muscular dystrophy, which render access by steps impossible or prohibitively difficult or painful.

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Presiding at hearings before this Committee last session on S. 662, Senator Harrison Williams reminded the then Urban Mass Transportation Administrator, Frank C. Herringer, of his duty to carry out the Congress' five times repeated mandate to assure mobile disabled and elderly people acess to public transportation.

> "It is crystal clear. There is no escaping what you must do. None of the funds can be obligated unless the needs of the elderly and handicapped are met through the design of facilities whether it be rolling stock or fixed rail." [4]

The Urban Mass Transportation Administrator stated that his agency would require all transit equipment to be as maximally accessible as the state of the art would support and that the TRANSBUS would be made available shortly.

> "UMTA's regulations, like S. 662, would require that accessibility to transit equipment be provided to the maximum extent feasible within the state of the art; and UMTA's research, development, and demonstration effort is committed to advancing the state of the art in both planning and equipment design. ... We anticipate that the TRANSBUS will be commercially available within a reasonable period of time and should provide a substantially higher level of service to elderly and handicapped patrons." [5]

There is good cause for singling out the previous heads of the Urban Mass Transportation Administration for conscious duplicity in their representations. As late as last February, as evidenced by the memorandum annexed to this statement from the Chief Counsel to the former Administrator, Robert E. Patricelli, UMTA officials admitted to the misleading nature of their statements to the Congress and the courts on requiring the low-floor, ramped TRANSBUS and substituting ineffective alternatives for mass transit accessible to all mobile disabled and elderly Americans.

The ultimate proof of abdication of duty on the part of the previous heads of the Urban Mass Transportation Administration is their decision on July 27, 1976 to abandon the low-floor, ramped TRANSBUS even while affirming its technological feasibility, and its maximal accessibility

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4 Hearings on S. 662 Before the Subcommittee on Housing and Urban Affairs of the Senate Committee on Banking, Housing and Urban Affairs, 94th Cong., 1st Sess. at 28 (1975).

5 Ibid.

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within the state of the art, 41 Fed. Reg. 32287, and in the closing months of the last Administration, to attempt (unsuccessfully) to clear the way for the production of General Motor's non-accessible and exclusionary RTS2. They did so despite the Department's public policy statement of January 1975 and the sworn affidavits of the UMTA Administrator (submitted to eight courts across the country between November 1974 and May 1976 in defense of lawsuits against local authorities seeking accessible transit) saying that as soon as TRANSBUS technological feasibility was established "UMTA will develop and promulgate by regulation a standard specification for its use."

Two major suits addressed to the July 27 decision were filed last summer and are now pending. One - the first accessibility suit to directly address UMTA and Departmental officials and seeking to enforce their duty under the Congressional mandates to proceed with the low-floor, ramped TRANSBUS - was filed in the Eastern District of Pennsylvania by a national coalition of disability and elderly groups including Paralyzed Veterans of America, the National Council of Senior Citizens, the American Coalition of Citizens with Disabilities, the National Caucus on the Black Aged, United Cerebral Palsy, the National Congress of Organizations of the Physically Handicapped and Disabled in Action of Pennsylvania, New York, New Jersey and Maryland. The Southern California Rapid Transit District (which along with Seattle King County Metro has been most vigorous in seeking the low-floor TRANSBUS) and the State of California, among others, have entered the suit as amicus for plaintiffs.

The second suit, in the District of Columbia, was commenced by AM General Corporation against UMTA and DOT to enforce the 1973 Brademas Amendment to the UMT Act barring the use of federal funds "to support procurements utilizing exclusionary or discriminatory specifications." This suit, in which GM has recently intervened as a defendant, alleges, inter alia, the existence of a private agreement between the Department and GM to use federal funds to underwrite the production of GM's RTS II (whose specifications no other manufacturer can meet) to the delay and exclusion of the production of TRANSBUS (whose specifications all three manufacturers can meet). This suit was brought against the background of 50 years of GM dominance of the bus industry and a Department of Justice antitrust action against GM concluded by settlement in 1965. In early September the Department was forced to agree to a court order rescinding its approval of grants to a "Houston" consortium of five authorities for purchase of 390 buses and effectively stopping all bus production.

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On January 18, 1977, the first Court of Appeals decision was handed down in the fourteen local suits to secure accessible transit. In Lloyd v. Chicago Transit Authority , a case in which the TRANSBUS plaintiffs participated as friends of the court, the Seventh Circuit Court of Appeals unanimously rejected the arguments put by UMTA and DOT in each of the fourteen cases, reversed the district Court decision and held that §504 of the Rehabilitation Act of 1973, 29 U.S.C. §794, requires that transportation officials affirmatively adapt mass transit vehicles and services to provide access to the handicapped (Slip op 13) and that "the provision of unnecessarily separate services is discriminatory", (Slip op. 12 n.). It then remanded the case for reconsideration "in view of TRANSBUS developments" (Slip Op. 19).

Last Wednesday, February 16, the new Secretary of Transportation, Brock Adams, announced the reopening of the previous administration's decision to abandon the TRANSBUS. Secretary Adams has undertaken to review the TRANSBUS in each of its three dimensions: assuring full accessibility for all mobile disabled and elderly people; making certain that the best bus is available to the American public, and supporting competition among the three bus producers and maintaining each of them healthily in the industry. Our organizations believe that carefully and correctly weighed against each of these objectives, a decision will be reached to require the use of the low-floor, ramped TRANSBUS specifications for all new transit buses.

To that end, the Secretary of Transportation has set a hearing for March 15 and pledged a decision by May 27. Interim procurement policies are now being formulated and it is most important that the interim be short and that it culminate promptly in low-floor, wide-door, ramped TRANSBUS and access to all bus transit for more than 13 million elderly and handicapped Americans presently excluded.

The need now is not for additional legislation. The Congress' mandate is now, and for six years has been, perfectly, patently, crystal clear. You have, if we may presume to say so, done your work well.

The task now is to see that your five existing mandates guaranteeing disabled and elderly Americans equal access to public transportation are finally carried out.

We ask your continued, renewed and faithful assistance, as individual Senators, as a Committee, and the Congress itself in guiding the new Secretary's decision to the conclusion you have five times mandated.

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DEPARTMENT OF TRANSPORTATION
URBAN MASS TRANSPORTATION ADMINISTRATION
WASHINGTON, D.C. 20590

February 25, 1976

MEMORANDUM

TO: Administrator

FROM: Chief Counsel

SUBJECT: Five Percent Elderly and Handicapped Programming Requirement

From a litigation perspective, the inclusion in the elderly and handicapped regulations of some minimum provision which sets forth measurable program requirements on behalf of persons confined to wheelchairs appears essential. In each of the suits to date we have relied heavily on both our proposed E&H regulations and the TRANSBUS program (to which a significant portion of the preamble is devoted). We have emphasized that the TRANSBUS program is designed to develop a new generation of buses and that we anticipate the development and promulgation by regulation of a standard specification for use by grantees in transit bus procurement. Most courts have taken these statements to mean that after TRANSBUS becomes available (around late 1977 or early 1978) it will be the standard Federally-assisted transit bus and that each TRANSBUS will be wheelchair accessible. In fact, the preamble to the proposed regulations strongly supports that view. Only those courts that have probed have discovered that we may take the position that the wheelchair accessibility feature on TRANSBUS will be an option and that each locality will then make the further decision of whether to have an accessible or inaccessible TRANSBUS. In short, most courts have viewed the problem simply as one of technology and have ruled in our favor because they believe after TRANSBUS is available, each Federally-assisted bus will be accessible.

Thus, if the preamble to the final regulation discloses the current problems with TRANSBUS and states our intention of having a hearing to resolve those problems,

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but the regulations themselves contain only weak planning requirements, it is likely many courts would be quite dismayed. The courts could thus review UMTA as an agency that hinted strongly at a TRANSBUS solution, but when problems developed, an agency that was unwilling to require an alternative solution.

UMTA would be in a much stronger position if, while admitting problems with TRANSBUS, we had a meaningful requirement which attempted to offer a substitute to TRANSBUS until the TRANSBUS problem was solved. Then we would be in a position to explain the TRANSBUS situation to the courts while, at the same time, pointing to definite program requirements to meet the needs of persons confined to wheelchairs. Without these requirements a court might well impose its own. What follows is a proposal for a standard to be incorporated into the regulations, modeled on the TSM requirement.

Sallyanne Payton

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Ms. SHAPIRO. Five times since 1970 the Congress has enacted legislation which would guarantee the disabled and elderly equal access to public transportation. The laws specifically are cited in the text of our testimony. Congress was clear and explicit in expressly rejecting separate transportation systems as being more expensive and because they would further segregate the disabled and elderly from society.

Also, we believe and we know that technology now exists for the low-floor ramped bus which would be accessible to over 13 million elderly and handicapped Americans whose disabilities range from arthritis, multiple sclerosis and Palsy to muscular dystrophy which renders access by steps impossible or prohibitively difficult or painful.

The issue is now whether low-floor ramped transbus specifications are to be required for all new buses purchased with Federal financial assistance.

The Urban Mass Transportation Authority reports show the following benefits in the low-floor ramped bus: that boarding time is halved by the transbus, trip time is reduced by 10 percent, revenue miles per driver wage dollar is increased by 5 percent, passenger traffic and pedestrian accidents are substantially reduced, specifically boarding and alighting accidents will be cut by 20 percent, and total insurance costs by 20 percent. Maintenance and repair costs remain constant on a unit basis. Ridership increases, exclusively of the elderly and the handicapped, up to 10 percent. Improvement for the elderly is significant only with the low-floor transbus design. Accessibility for the handicapped can only be achieved in a low-floor transbus at a reasonable additional cost and without introducing significant operational problems.

By the way, SPTA, from whom you heard earlier, was one of the first local properties to submit an application for the low-floor ramped bus to have it in time for the Bicentennial. Also, increased handicapped ridership will reduce operating deficits by 4 to 10 percent.

In addition, benefits to the general ridership of low-floor ramped transbus would make it accessible to 13 million disabled or elderly who cannot negotiate steps. Neither the RTS–2 or the current bus is accessible in that way. The specifications which UMTA adopted at General Motors' urging last July 27, adjusted the floor height to 24 inches after use of a kneeling feature. Only the low-floor ramped transbus specification which is an adjusted floor height of 12 to 17 inches allows for effective use of the ramp to provide a level boarding for elderly and handicapped passengers.

UMTA wrongly views the accessibility issue as one of accommodating those who use wheelchairs. This is a very important point. The low-floor transbus would provide access not only to wheelchair persons but to an additional 12 million elderly and handicapped people whose disabilities range from arthritis again to muscular dystrophy. Those disabilities that do not necessarily require a person to use a wheelchair.

Presiding at hearings last year, Mr. Chairman, you, yourself, reminded the Urban Mass Transportation Administrator, Frank Harringer, of his duty to carry out the Congress' five times repeatedly mandated to assure mobile disabled and elderly people access to public transportation. Specifically, I believe the quote was that, "It is crystal clear that there's no escaping what you must do. None of the

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funds can be obligated unless the needs of the elderly and handicapped are met through the design of facilities, whether it be rolling stock or fixed rail." The Urban Mass Transportation Administrator stated that his agency would require all transit equipment to be as maximally accessible as the state of the art would support and that the transbus would be made available shortly.

There's good cause for singling out the previous heads of UMTA for conscious duplicity in their representations. As late as last February, UMTA officials admitted to the misleading nature of their statements to the Congress and the courts on requiring the low-floor ramped transbus and substituting ineffective alternatives for mass transit accessible to all mobile disabled and elderly Americans. The ultimate proof of abdication of duty on the part of the previous heads of UMTA is their decision on July 27, 1976, to abandon the low-floor ramped transbus, even while affirming its technological feasability and its maximal accessability within the state of the art.

Two major suits addressed to the July 27 decision were filed last summer and are now pending. One is the transbus suit of which GIFF, Pennsylvania is the leadco-plaintiff with the other organizations I represent today. It was filed in the Eastern District of Pennsylvania by this National Coalition of Disabled and Elderly groups. The Southern California Rapid Transit District, which along with Seattle King County Metro, has been most vigorous in seeking the low-floor transbus and the State of California, among others, have entered a suit as amicus for the plaintiffs.

The second suit in the District of Columbia was commenced by AM General Corp. against UMTA and DOT to enforce the 1973 Gravis amendment to the Transportation Act barring the use of Federal funds "to support procurements utilizing exclusionary and discriminatory specifications."

This suit, in which GM has recently intervened as a defendant, alleges inter alia the existence of a private agreement between the Department and General Motors to use Federal funds to underwrite the production of GM–RTS–2 to specifications no other manufacturer can meet to the delay and exclusion of the production of transbus.

This suit was brought against the background of 50 years of GM dominance in the bus industry and a Department of Justice antitrust action against GM concluded by settlement in 1965. In early September the Department was forced to agree to a court order rescinding its approval of grants to an Eastern consortium of five authorities for purchase of 390 buses and effectively stopping all production.

On January 18, 1977, the first court of appeals decision was handed down. It was in the case of *Lloyd* v. *Chicago Transit Authority*, a case in which the transbus plaintiffs participated as friends of the court. The Seventh Circuit Court of Appeals unanimously rejected the arguments put by UMTA and DOT in each of the 14 cases reversed the decisions of the district court and held that section 504 of t heRehabilitation Act of 1973 requires that transportation officials affirmatively adapt mass transit vehicles and services to provide access to the handicapped and that the provisions of unecessarily separate services is discriminatory.

It then remanded the case for reconsideration "in view of transbus developments." Last Wednesday, February 16, the new Secretary of

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Transportation, Secretary Adams, announced the reopening of the previous administration's decision to abandon the transbus. Secretary Adams has undertaken to review the transbus in each of its three dimensions: (1) Assuring full accessibility for all mobile disabled and elderly people; (2) making certain that the best bus is available to the American people; and (3) supporting competition among the three bus producers and maintaining each of them healthily in the industry.

Our organizations believe that carefully and correctly weighed against each of those three objectives a decision will be reached to require the use of the low floor ramped transbus specifications for all new transit buses. To that end, the Secretary of Transportation has set a hearing for March 15 and pledged a decision by May 27 which is, coincidentally, the last day of the White House Conference on the Handicapped here in Washington.

The need now is not for additional legislation. The Congress mandate is now and for 6 years has been perfectly patently crystal clear. You have, if we may presume to say so, done your work very, very well. The test now is to see that your five existing mandates guaranteeing disabled and elderly Americans equal access to public transportation are finally carried out. We ask your continued, renewed, and faithful assistance as individual Senators, as a committee, and the Congress itself in guiding the new Secretary's decision to the conclusion you have five times mandated. Thank you.

Senator WILLIAMS. Thank you very much, Ms. Shapiro. That was welcome news when the Secretary moved to reopen that I'm sure.

Ms. SHAPIRO. Yes.

Senator WILLIAMS. And maybe the timing is a portent of a good decision to come from the Secretary.

Ms. SHAPIRO. We certainly appreciate your observations of our attention to these needs in transportation.

Senator WILLIAMS. Coming back to the transbus, what is the estimated additional cost for transbus and how would you compare this both in cost and benefit to the handicapped and elderly population to alternate systems?

Ms. SHAPIRO. If I may, I'd like to refer that question to Mr. Dennis Cannon from Southern California Rapid Transit District. He's a real expert on the cost-benefit analysis of this.

STATEMENT OF DENNIS CANNON, PLANNING DEPARTMENT, SOUTHERN CALIFORNIA RAPID TRANSIT

Mr. CANNON. I'd like to make one slight clarification. I'm the chairperson of the Transportation Committee of the California Association of Physically Handicapped (CAPH). I am under contract to Southern California Rapid Transit District, SCRTD, to do consulting for transportation for the elderly and the handicapped. I'd like to make that clear because some of the statements I may make are not necessarily the expressions of opinion of the Board itself.

I would like to, however, point out that our Board on October 22, 1974, passed a resolution saying that all future bus specifications would include accessibility features to aid the elderly and the handicapped, including those confined to wheelchairs.

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In December 1974, specifications were redrawn to provide for a low-floor bus because we believe that is the only way to meet that mandate. Come April 1976, no bids were received. The incredible circumstances leading to that event for myself and the CAPH I will describe simply as one word, and that's sabotage on the part of UMTA. There doesn't seem to be any question but that it's more cost effective to run a fully accessible system than it is to run separate systems.

To give you an example of what's happening in this area, SCRTD, even though it did not get a low-floor bus, changed its specifications for a high-floor bus with a lift. Now this is a semiaccessible vehicle. It's not really the desired vehicle but it was felt at the time that if we continued to go around and around on this merry-go-round of "when are we going to get this bus" and "it's not ready" and so on, we might never start anything. So the district ordered such buses, sent out specifications, and lo and behold, we got bids. Two hundred of those vehicles are now coming possibly as early as May.

Now it's still the Board's contention, and it's been stated on a number of occasions, including May 5, 1976, when both our board vice president and general manager appeared before UMTA testifying in favor of the low-floor bus, that the low-floor bus is the ultimate answer to providing fully accessible systems and fully accessible is not opposed or on the other extreme from some kind of specialized services. A multimodal approach is the correct one.

But let me give you some figures here on what it would cost, for example, to provide a separate service, and I will use the SCRTD example which is, that we have done a survey that estimates there's in excess of 350,000 transportationally handicapped people in the SCRTD service area. This is about 2,280 square miles. That does not include the blind, the deaf, those people with minimal arthritis, and so on. It does include those who have significant difficulty negotiating steps. That figure, incidentally, is almost a half of the total daily ridership in the SCRTD area. It's not an insignificant number.

The SCRTD has a policy of full accessibility from now on starting with the first semiaccessible buses which hopefully will be phased out as soon as we can get transbus. Those buses cost an additional $8,000, about 10 percent above a standard bus. That 10 percent means we've got accessible vehicles for $8,000. You can't buy any such vehicle anywhere else. The cheapest small vehicle is about $25,000 these days. Back in 1974 mide-size buses were costing $60,000. SCRTD bought 200 buses for the handicapped for $8,000 each because it would have bought standard buses anyway. These are replacement buses. The operating funds for those buses are already included in the budget. We have drivers and so on. Ninety percent of operations cost is labor and has nothing to do with the vehicle you're driving. It costs exactly the same to operate small buses and big buses. In fact, if you run small buses it's less productive because you get less revenue out of them. Thus, SCRTD will purchase "accessible" buses for $8,000 each.

On the other hand, had the district chosen to purchase 200 small vehicles for a specialized service districtwide, each vehicle would have cost in excess of $15,000, in 1974 dollars. At today's cost, the average operating cost per bus year is estimated to be about $83,000. The cost in 1974 was over $64,000 per year. I'm using the 1974 figures because

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that's our best breakdown and because that's when other manufacturers such as FMC and so on were supplying vehicles.

Because the operating cost is almost all labor, it costs virtually the same to operate small or large buses on any type of service. Thus, for separate services, the district would have to spend an additional $12.8 million per year just to run 200 separate buses.

In addition, previously designed demand responsive systems have shown that, to operate dial-a-ride service, one telephone operator and one dispatcher are required for every 2.2 vehicles. This equates to 91 dispatchers and 91 operators and additional telephone equipment at a 1974 cost of $2.375 million every year. Thus, over $15 million per year would have had to be spent by 1974 estimates. Costs are higher today. All this just to operate 200 buses which equates to 1 for every 11.4 square miles of SCRTD service area—2,280 square miles. In Long Beach nearby, there's a demand responsive dial-a-ride system. Long Beach is 50 square miles. They have six vehicles. So that turns out to be one vehicle for every 8.3 square miles. They are providing service to about 500 people and there's a 200-person waiting list.

We estimated in order to serve the handicapped in the Southern California Rapid Transit District service area at an adequate level of service it would take 455 vehicles, at an estimated yearly cost of $40 million. This is exclusive of capital costs. Typical farebox revenue provides about one-third of the operating costs. Small vehicles hold less than half the number of passengers and by Federal regulations these passengers must be granted half fare. Specialized service costs more but generates less than one-quarter of the usual revenue. This is based on operating experience throughout the Nation.

These facts and figures appear in an article which has been submitted to Passenger Transport published by APTA. I trust they will have the interest in publishing this particular article. I'd like to give another example of what's going on in the area of "specialized services." One of the suggestions in the UMTA rules of April 30, for example, say, "you can buy only accessible vehicles until half your fleet is accessible." Why you would want to stop at half I have no idea. It makes more sense to have the total fleet accessible.

One reason for this is that if accessibility equipment is a standard rather than an option, its unit cost goes down and its reliability goes up. The other reasons is if all your buses are accessible you can shift them around from line to line any way you want to, which is the normal procedure with buses. So it makes sense to have the total fleet accessible ultimately.

Another possible option listed in the UMTA regulations is that a transit operator spend a dollar amount equal to 5 percent of section 5 funds. I did a little arithmetic and found out that SCRTD section 5 funds amounted to $26.289 million, 5 percent of which is $1,314,450. Now with that amount of money, we couldn't have even afforded to buy the 200 buses. Let's assume that SCRTD wanted to use that money, for example, to buy vehicles and maybe get the operation funds somewhere else. That amount of money would buy 52 vehicles, which for our service area is 1 bus for every 44 square miles and nothing to operate them with. If we use the 5 percent money, on the other hand, to provide operations, and found the capital to buy buses somewhere else, we could afford to operate 16 vehicles or 1 for every 143 square miles.

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Washington, D.C. has a land area of 61 square miles. That means that if the above plan went into effect, the District of Columbia would be served by less than half a bus to take care of the entire transit needs of all the disabled in this area.

Now I don't know who developed the guidelines for the April 30 regulations, but they were clearly living in some kind of a fantasy world as far as the adequacy of those numbers are concerned.

Passenger Transport, which is published by APTA, did a series of articles on "special efforts." I have them here on a chart and there is not a single service listed in any of these articles that would in any way approach an adequate system of transportation. One of these articles said a fair amount of research was done before arriving at the decision to provide a separate service.

Being interested in what research had been done, I called the gentleman up and asked him if he could supply me with the documents. He apparently didn't know who I was because the statements he made to me are I think somewhat incredible. He said,

> Well, first of all, there's no research. The decision was actually made by the board and myself after we discussed it because what was happening is there was one of these "do-gooder" agencies coming in who wanted to run door-to-door service and charge a dime and we knew if they got into the act they would be competing for some of our funds and we didn't want that to happen so we instituted this system very quickly to try and make sure we could prevent this.

And I asked him very quietly about the system and what it was doing and he said,

> Well, it has a considerable waiting list and it's really not doing the job and everything.

He said,

> I received a memo from Bill Stokes of APTA asking us to tell the positive story of the transit industry for elderly and handicapped transportation and the reason I wrote the article in the way I did

and this is a quote—

> so we could use these articles as a club to hit Congress over the head to stop this accessibility nonsense.

Now that is the kind of garbage that's emanating from the transit industry in regard to specialized services. I don't think there's any question.

Senator WILLIAMS. Whose words were those last?

Mr. CANNON. Well, I don't think that I should say.

Senator WILLIAMS. I'm looking around for Bill Stokes. He's been here all day. He's not here right now.

Mr. CANNON. It was not Mr. Stokes. It was a gentleman who was running the transit service, William Farrell, general manager of Long Beach Public Transportation Co.

Senator WILLIAMS. I see.

Mr. CANNON. If you'd like a copy of this article that has been prepared for Passenger Transport, maybe you won't have to wait for Passenger Transport to print it. I have an extra copy. I also have a copy of a transportation policy statement from the California Association of the Physically Handicapped.

I also have a—well, this is a draft that's only been changed one or two lines to clarify it. This is a cost analysis of what it would take

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to implement this particular transportation policy in the State of California and it costs about twice as much to do separate services or more, depending on whether the service is contracted out or run by the public agency—at best case, it would be twice as much. If the situation doesn't turn out to lend itself to all the niceties of 13(c) and so on, it would probably cost exceedingly more.

Senator WILLIAMS. This leads directly to this question. Some people have testified before us that they feel the means by which accessible transportation is provided should be left up to the local and State governments. Now in the prepared statement of the Secretary I think that attitude was suggested if not clearly stated. Others have said this, too. It is in the Secretary's statement. It's a local option idea. What do you all say about that attitude—not attitude—that approach?

Ms. SHAPIRO. Mr. Chairman, if I may point to Mr. McConnon's earlier testimony, he stated that SPTA was indeed working on making transportation accessible for the elderly and the handicapped in our area. I'm a Philadelphia resident and if I might just say that so far what SPTA has provided for us are two "kneeling buses" in the Philadelphia area. That's the bus that kneels down to lower the floor another 8 inches. They are called a kneeling bus. It's got a hydraulic suspension in it and the front half of the bus kneels down to lower the first step which really does nothing for most of the 12 million people we're referring to who cannot negotiate steps at all.

Consequently, I would say that that's specifically why we are so anxious to see the five laws enacted and to see some kind of real direction to the local authorities and not leave it up to them individually because I don't think that the disabled and the elderly will be treated fairly if that happens.

Senator WILLIAMS. Senator Sarbanes.

Senator SARBANES. I just want to follow up on that. I think we ought to underscore what I think is in a sense the most important point in your statement, and it's in a footnote on page 4 and it's the point that the accessibility issue does not concern itself with a very limited population which is what I think most people have in mind when they think of this issue. It in fact concerns millions of people, as you point out, elderly and handicapped, and beyond that, you can well make the argument that for everybody else it's a question of better accessibility and better convenience, and the UMTA memo which you attached to your statement I thought was very interesting in the limitation it places because it talks only in terms of meeting some court tests with respect to persons confined to wheelchairs. They use that phrase two or three times in the course of that two-page memorandum and I just want to underscore I think that's a very, very important point and an extremely important one in terms of understanding this issue and in terms of making cost-benefit analyses and everything else.

Ms. SHAPIRO. If I may, Senator Sarbanes and Mr. Chairman, on that issue, if we could make one point, it's that we have studied this situation for some 3 years at least and when we talk about the low floor ramped bus we are talking about that particular bus because it has been proven by UMTA itself and the Department of Transportation and I don't know how many other studies that it's the best bus for everyone; that level boarding accommodates everyone, cuts the board-

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ing time in half, decreases trip time 10 percent, et cetera. So that is why we feel that it's the best, because it's better for all the entire population.

Also, if I may, Mr. Chairman, just two figures that normally stick in my head but didn't this afternoon—in relation to the cost-benefit question, first, in UMTA's inflationary impact statement prepared last year on its proposed elderly and handicapped regulations, they calculated that it would cost between $76 and $123 million to cover the additional capital and operating costs for the low floor ramped bus as opposed to a cost of $365 million to maintain separate services.

This is why the idea of comparable but separate services really concerns us.

Also, APTA's independent study concluded that it would cost $1.75 billion to maintain separate services and we have a copy of APTA's report here. That's an annual cost.

Senator WILLIAMS. Now there are, we know, three major bus manufacturers that are involved here, am I right?

Ms. SHAPIRO. Yes, sir.

Senator WILLIAMS. Now the best result would be from the Department a performance standard and then there could be that competition between bus manufacturers. Am I right?

Mr. CANNON. Such a performance specification has been produced. It's called the final transbus performance specification part II, and it is there and I don't think there's any question that that bus could and should be built and there's no problem with it. It specifies 22 inches or lower on the floor and a number of other things.

Senator WILLIAMS. If alternates to that performance standard are permitted, a dominant bus manufacturer could be in a position to preempt the field with another performance availability or opportunity.

Mr. CANNON. If it performed better, yes.

Senator WILLIAMS. No, no, even if it wouldn't perform. If the transbus performance standard were not the standard, if there were opportunities for alternates, then we could have this other bus and that's where we are now. That's the battle in the courts now, isn't it?

Mr. CANNON. I'd like to make one comment about the concept of local options which is an attractive one because the transit industry gets up and they say, well, gee whiz, my area is different than your area and we're talking about various small urban and large urban and what have you, and certainly you can not, from a Federal level, mandate a solution to all of us; we have to tailor it to our own district. Local option means we get to decide how we want to implement this.

Well, the local option sounds good, but in fact it's not true. It's very specious. The glaring example of that is SCRTD's attempt to satisfy its option for full accessibility and its total inability to get bids on the bus it wanted. In fact, there is no local option. There is now only one option, and that's the separate service. As long as UMTA does not make the transbus available, separate service is the only option that a transit district has. So this thing about local option is really kind of a joke.

Senator WILLIAMS. Unless they make it available. I'm not sure I understand that expression, make transbus available.

Mr. CANNON. If they were to mandate that that's the standard by which the bus has to be made.

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Senator WILLIAMS. That's what I said exactly, but that doesn't make it available. That's to define a performance standard.

Mr. CANNON. That's right. Then and only then would the local option have any meaning. It doesn't now.

Senator WILLIAMS. There's one remaining question I have and that is what reaches us from many witnesses. They state a concern about how disabled and elderly persons will get to the bus and the difficulties that are presented there. What are your views on this?

Mr. CANNON. I'd like to point out that this policy statement that I have here addresses that statement. No one has ever said that transbus alone would solve all the problems. It's not a sufficient condition. It's a necessary condition. Transbus has to be there in order to create the proper solution. I don't believe there's any doubt that there's some place in a balanced transportation system for some kind of supplemental services, but such service needs to be in addition to—they need to be truly supplemental to the full accessibility or you put an unreasonable burden on that small supplemental system to try and meet all the needs of the handicapped which it can never do, either logistically or economically.

The policy of our organization is—and I will read it briefly—the elderly and handicapped shall have the same rights as other persons to utilize public transportation facilities and services. As a long term objective all systems shall be fully accessible. This will be achieved by: (1) Having access to every vehicle in a conventional fixed route system and (2) having access to vehicles in other specialized or supplemental systems such that the requirements of equivalent facilitation are met and there's a sentence later that makes specialized or supplemental services to be provided an appropriate local decision. The transition from existing services to accessible services shall begin immediately and shall be completed within the normal lifespan of vehicles that are purchased in 1977.

Now equivalent facilitation means a concept used in California architectural barrier law to determine when a building may be excused from full accessibility. Thus, all parts need not be accessible if, in the portion that is, equivalent facilitation is assured, and there's a test of equivalency here which outlines how to determine the level of the supplemental services needed to provide the total transit picture. But the supplemental system should be just that: Supplemental to a fully accessible fixed route system and the only way we're going to do that is if we get the transbus.

Senator WILLIAMS. That's very clear.

Ms. SHAPIRO. Mr. Chairman, we have Jan Jacobi as part of the panel and I believe she has something pertinent to say as part of this panel. Could we revert to her now?

Senator WILLIAMS. Yes. I just wonder—how much time and whether we should come back. I have a meeting with the Secretary of Labor in just 8 minutes, so I just wondered.

STATEMENT OF JAN JACOBI, AMERICAN COALITION OF CITIZENS WITH DISABILITIES

Ms. JABOBI. I just have three written pages and I will go through it very quickly if you want.

Senator WILLIAMS. All right.

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Ms. JACOBI. I am Jan Jacobi, assistant to the director of the American Coalition of Citizens with Disabilities and I am here substituting for Dr. Frank Bowe, who is director of the coalition. Our members include various organizations such as the American Council of the Blind, Council for Exceptional Children, Council of State Administrators of Vocational Rehabilitation, Epilepsy Foundation of America, National Association for Retarded Citizens, National Association of the Deaf, National Association of the Physically Handicapped, Paralyzed Veterans of America, Teletypewriters for the Deaf, and United Cerebral Palsy Associations.

We have also numerous State and local organizations, including a growing list of State coalitions. As is our policy, I'm speaking today for the coalition as a whole.

An estimated 36 million Americans are disabled. One of the coalition's central concerns with transportation is the availability of alternative providing for individual choice and access.

As a part of this, the Transbus project has interested us since its inception. UMTA has spent $27 million to develop the low-floor wide-door ramped Transbus. The low-floor wide-door ramped Transbus is the bus which disabled Americans are advocating. It is the only bus that will provide the low-floor wide-door ramped provisions that are necessary to grant us our basic human and civil rights of accessibility and equal opportunity; and Transbus is also the only bus that provides for a level boarding.

Steps are travel barriers. Ramps are the solution to the boarding problem faced by any American who has difficulty negotiating steps. Whether the potential transit rider is in a wheelchair or arthritic, elderly or pregnant, whether carrying packages or holding onto young children, steps present an overwhelming barrier to access to any transportation system.

Transbus is the best bus for all Americans, not only the disabled. Again, whether you're in a wheelchair, elderly, use a cane or crutches, have difficulty walking, are pregnant or carrying packages, all Americans will benefit by Transbus. S. 208 provides for all equipment to be wheelchair accessible or to provide for comparable substitute services. This provision is limiting and inadequate. It only looks to people in wheelchairs. 13.3 million Americans are estimated as transportation disabled. Only 500,000 of these are in wheelchairs. Therefore, 12.8 million Americans not in wheelchairs have difficulty negotiating steps. These Americans have a right to utilize transportation facilities.

We are not talking about individual transportation needs here. We are discussing 13.3 million American's mass transit. The provision of a ramp is the most beneficial. It does not single out any American. It does not reinforce stereotypes for poor, helpless, isolated handicapped people by segregating and excluding them. Disabled people want to benefit from the mainstream of society. We do not want special treatment at all. It has been demonstrated, as a matter of fact, that when ramps are installed, many able-bodied people will use them in lieu of steps. The low-floor wide-door ramped Transbus benefits all Americans.

Substitute services also are inadequate for two reasons. First, they are expensive. The APTA figure quoted is $1.8 billion versus $27 million for Transbus. The second reason is that they are segregating

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and exclusionary. Disabled people do not want to be excluded and isolated. We join blacks, elderly Americans and all other persons suffering discrimination in fighting against separate but equal facilities. Disabled people do not have a right to be equal. We are equal. Only Transbus grants us equality. Thank you.

Senator WILLIAMS. Thank you very much.

Ms. SHAPIRO. May I insert pictures of the low-floor-ramp Transbus in the record and the APTA report?

Senator WILLIAMS. Well, we can't put them in the record but they become a part of our files.

Ms. SHAPIRO. Fine.

Senator WILLIAMS. There's no way to get pictures in, but I know those and they are great evidence and we will be using them.

Mr. CANNON. I will leave these materials for you as well.

Senator WILLIAMS. Yes. Thank you. Thank you very, very much.

[Whereupon, at 1:30 p.m., the hearing was adjourned.]

[It was requested that the following appear in the record:]

DESIGN CRITERIA FOR TRANSPORTATION FOR THE DISABLED; A TEST OF EQUIVALENCE FOR THE SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT BOARD OF DIRECTORS

(By Dennis Cannon, Synergy)

In this paper, some important considerations involved in providing public mass transportation for the physically handicapped are discussed, beginning with certain constraints introduced by the nature of the population to be served.

Criteria are developed for evaluating the extent to which various service alternatives do indeed provide full mobility to the disabled. Those alternatives are discussed and evaluated in terms of the criteria, with the conclusion that the only way to meet the criteria and provide full mobility in a cost-effective manner is with full accessibility.

Discussion of the costs of full accessibility, some operational and safety considerations, a possible program of implementation, and some benefits to accrue to the general public from such a policy end the paper.

INTRODUCTION

The Urban Mass Transportation Act of 1964, as amended, declares it to be ". . . the national policy that elderly and handicapped persons have the same right as other persons to utilize mass transportation facilities and services; that special efforts shall be made in the planning and design of mass transportation . . ." and that all Federal programs offering assistance in . . . mass transportation . . . should contain provisions implementing this policy."

For all practical purposes, then, the decision to provide services to the elderly and handicapped, including those in wheelchairs, has already been made. The question, therefore, is not whether to provide public transit for the handicapped but rather what type of service and how best to implement it.

The purpose of this report is not to design a detailed transit system, but to create design criteria against which a given system may be evaluated. The actual mode, or mix of modes, may vary according to specifics of the service area, but the criteria can still be applied to determine whether the system (proposed or existing) actually meets the transit needs of the disabled. (For purposes of this report, "mode" refers to fixed-route, dial-a-ride, jitney, etc., which may be employed in a mass transit system.)

MYTHS ABOUT THE HANDICAPPED

Before developing such criteria, however, it is important to deal with some of the prevailing misconceptions about the disabled held by the typical able-bodied individual, especially those in the transit industry.

1, *Handicapped people are sick.*—Transit properties often assume the travel patterns of the disabled are unique and consist primarily of trips to doctors,

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hospitals and rehabilitation centers. Concurrently, the disabled are presumed to reside in or around hospitals and convalescent homes.

They fail to realize that there is a difference between individuals who are in an acute phase of a health problem and those who have a chronic disability. In reality, handicapped people are not necessarily more prone to illness than anyone else.

While some disabled persons do make regular trips to such facilities (and probably the incidence is higher than for the general population) the fact is that all available information indicates that the disabled have travel needs much like the able-bodied. Also, available data, as given in another report indicates there are no significant geographical concentration of the handicapped in Los Angeles County.

Thus, barring some unexpected new information, the conclusion is that the travel patterns of the handicapped will duplicate the patterns of the general population.

2. *Handicapped people are helpless.*—Generally, handicapped people are not helpless, frail individuals who need to be sheltered and protected from the real world. Certainly this is true of those who ". . . use of public transportation would be a reasonable expectation were . . . (level change devices and tie-downs on full sized buses) . . . provided." [5] With certain external physical modifications, often minor, most of these handicapped people function independently. Such people's needs are not necessarily more extreme, just different.

There is also some confusion between "wheelchair confined" and "severely disable" individuals. Whereas most severely disabled persons are likely to use wheelchairs if they are at all mobile, it is certainly not the case that all persons who use wheelchairs are severely disabled. In fact, many wheelchair users are more mobile, active, and agile than some other disabled people who do not use wheelchairs. This includes some who, prior to the advent of sophisticated electronic systems, would have been classed as severely disabled.

A transit official once said that a particular bus line went through a high crime area and it would be very dangerous for the handicapped to ride that line. Such may be the case, but the statement forgets about the disabled who may in fact live near that line, and that is not a proper determination for a transit district to make.

3. *Handicapped people are not competent to make their own decisions.*—Virtually every report which claims that the handicapped do not want to ride the same vehicles as everyone else has reached this conclusion by interviewing able-bodied professionals—heads of hospitals, convalescent homes, and charitable organizations—not the handicapped themselves. The most widely circulated of these, done by the American Public Transit Association (APTA) [11] formulated its plan for transportation for the elderly and handicapped from such sources. Handicapped and elderly people asked later to comment on this plan were enthusiastic. Unfortunately, such post-facto surveys are in violation of good research design, since the question is automatically biased. If anyone were asked "Would you rather wait on a street corner in the rain or be picked up at your door?" it would not be difficult to predict the response. Moreover, if the constraints to be imposed in providing door-to-door service were trustfully explained, the service would not receive such favorable attention from the elderly and handicapped.

Certainly there are many disabled people who would find it difficult, if not impossible, to get to a fixed-route transit stop. To many, a half block is as great an obstacle as a mile. Door-to-door service is one way to address the transportation problems of the very severely disabled. It may, in fact, be the only way. Furthermore, depending on service or geographical constraints of a particular area, dial-a-ride may be the primary mode of choice. The question is really whether such service represents the sum total approach to solving the transit problems of all the disabled in all areas.

EQUIVALENT FACILITATION

In California architectural barriers law, the concept of "equivalent facilitation" is used to determine when a building may be excused from full accessibility to the handicapped. Thus, all parts of a bulding need not be fully accessible if, in the portion that is usable by the handicapped, all facilities normally sought and used by the public are available such that ". . . it is clearly evident that equivalent facilitation . . . is thereby secured." (Sec. 4451, Chap. 7, Div. 5 of Title 1 of the California Gov. Code).

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The concept of equivalent facilitation needs to be extended to public transportation and criteria established to evaluate the adequacy of alternative service instead of full accessibility. In the case of public transportation, then, full accessibility means that, whatever system or mode is used, be it buses, fixed rail, jitney, mini-buses, or any combination thereof, ALL vehicles must be accessible to, and usable by, the physically handicapped, including those in wheelchairs. Short of such an ideal there are, of course, many possibilities. Some vehicles may be rebuilt; some alternative mode may be established; a gradual changeover may be initiated by ordering only accessible vehicles as expansion and replacement occur, or some combination of the above. With full mobility the goal, whatever system is proposed, in order to be a viable public transportation system meeting the legitimate needs of the handicapped, it must pass the test of equivalency.

TEST OF EQUIVALENCY

1. *Equivalent origin/destination.*—(Purpose) The average able-bodied user of public transportation has a choice of destinations determined primarily by the matrix of the current transit system. In a reasonably extensive system, the user may choose equally between trips for the purpose of work, shopping, entertainment, visiting friends, etc. Demand-responsive modes which restrict options to only work, school, medical visits, etc., do not provide such equivalency.
2. *Equivalent trip-decision time.*—An equivalent alternative system must require no more advanced decision to travel than the average able-bodied user. Thus, on a system with an average 20-minute headway, for example, the typical user need decide to travel a maximum of 20 minutes prior to depatrure, and can decide to change destinations enroute.
3. *Equivalent travel time.*—Travel time between any two points should be no longer on an alternate system that it is on that used by the able-bodied population.
4. *Equivalent transfer frequency.*—In a system in which, to get from any two points in the service area, one transfer is considered usual, two are considered acceptable, and three unacceptable, the same should be true of the alternate system.
5. *Equivalent service range.*—(Geographic) Service for the handicapped must ultimately extend over the entire geographic service area, and operate at least during the same hours as that system used by the able-bodied population.
6. *Equivalent fare.*—The fares, including transfer charges, charged on an alternate system must be no higher than those charged to the able-bodied using the primary system, reduced fare requirements notwithstanding.

THE DEMAND-RESPONSIVE ALTERNATIVE

There are many kinds of demand-responsive service ranging from rigid presubscription service to on-call dial-a-ride. The subscription mode is easiest to coordinate and requires the fewest vehicles but offers limited transportation. The true dial-a-ride, on the other hand, can provide maximum transportation flexibility but requires more vehicles and is difficult to coordinate over large areas, often requiring sophisticated computer systems.

In most proposed alternative demand-responsive systems, the "advantage" of door-to-door service is to be substituted for some or all of the points in the Test of Equivalency. Dial-a-ride alone, to the exclusion of an accessible main system, creates a service so intent on meeting the needs of the very severely disabled, that it may not meet the needs of the active disabled, who could most benefit from usable public transportation. In fact, such severely disabled individuals may not be reasonably expected to use public transit no matter what service is provided.

Furthermore, while it is not possible to completely specify the cost of a demand-responsive system without a detailed outline of the proposed service, it is possible to estimate some minimum figures. According to a previous report by the Southern California Rapid Transit District on providing dial-a-ride in a limited area [10,12], such service costs at least 30 percent more than a comparable level of service by fixed routes. This additional overhead is due to the need for dispatchers, telephone answerers, and special equipment such as radios. So far, no known existing dial-a-ride has come even close to this minimum. In order to survive for any length of time, such service has either been very limited or has depended on massive subsidies from federal, state and local sources. In case of limited financial support, such service is usually the first to go, as in Haddon-

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field, N. J., leaving those who have become dependent on the service with no alternative at all. [8].

Over an area as large as the SCRTD service area, a demand-responsive system faces serious problems, if vehicles are to traverse the entire area. Once a particular vehicle goes beyond a given distance from its base of operations, it is no longer available to handle another service call near its base within a precribed time limit. Thus, if the minimum wait time is to be maintained, additional vehicles must be kept ready to respond. However, most of the time, a portion of the vehicles and drivers will be idle. The shorter the wait time to be maintained, the larger the number of extra vehicles required. But, since operating expenses consist primarily of labor, idle vehicles cost virtually the same as those in service. Thus, the usual response from transit district's is to abandon the short call time and/or limit the trip purposes allowed.

Alternatively, local community based dial-a-ride service can be established, restricted to operate within prescribed areas. If the area is properly defined, minimum wait time can be maintained with a minimum number of vehicles. Unfortunately, disabled people are either denied intercommunity trips or they must make many transfers between systems, thus increasing their travel time. Such multiple interface coordinations may be virtually impossible.

Clearly, a demand-responsive system cannot meet the test of equivalency and provide full mobility without an excessively high budget.

The best hope would be to optimize the service as a community based feeder/distributor network to a fully accessible main line system. In a transit district with an extensive fixed rail component, this may pose only slight difficulty. However, if no such component exists, fixed-route, line-haul bus service, de facto, must provide the regional network. But, unless the physical characteristics are unique or the disabled population relatively concentrated (so far, all indications are to the contrary), a demand-responsive system alone cannot hope to provide adequate transportation for the disabled.

The authors of Para-Transit [6] claim no single mode, be it buses, fixed guideway, or whatever, can hope to meet all the transit needs of all people. The corollary is also true: no single mode can hope to meet all the transit needs of a single group.

Moreover, while many handicapped persons could not utilize a fully accessible main line system, many others could. In fact, the mobile handicapped are likely to be the primary users of accessible public transportation since they have already solved many of their mobility problems. CALTRANS (California Department of Transportation) cautions against creating a transit system which meets only their needs [5], but a transit mode geared too heavily to the needs of the very severely disabled will likely result in needless service delays to the entire disabled population and service duplications, transporting disabled people along the same route served by inaccessible buses.

THE RETROFIT ALTERNATIVE

Another possible way to provide service to the handicapped is to retrofit existing vehicles. The costs can be minimized by equipping a limited number of vehicles, but passing the test of equivalency would then be difficult if not impossible. There are, however, three California properties seriously investigating this possibility. A demonstration project sponsored by CALTRANS and the California Department of Rehabilitation will soon be initiated to retrofit four 40 ft. buses with four different devices. Hopefully, this project will help answer some of the questions about the feasibility of retrofit. There are several important considerations in such a program. These problems can be divided into four general categories depending upon the entry point to the vehicle, and the level change device employed. This report is limited to discussion of retrofitting a full sized (40 ft.) transit coach since smaller fully accessible vehicles are already on the market.

1. *Passive versus active devices.*—The majority of available wheelchair entry devices, especially those used on private vehicles, are of the "active" type. That is, they are lifts with platforms which fold up across the doorway. Their operation sequence includes a fold-down/lower/raise/fold-up cycle. The fold-down/fold-up portion of this cycle is "dead time" when the device is performing no useful work. More important, the device blocks the opening and must be deployed each time access is desired through that opening.

A "passive"device, on the other hand, either does not have a cycle analogous to the fold-down/fold-up sequence or that part of the cycle is minimal. The critical

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aspect, however, is that it does not impede the ingress and egress of able-bodied passengers through the same doorway. Examples of such devices are those included in Transbus prototypes (although the AM General device requires an interfacing platform), the Transportation Design and Development Corporation lift used by Flxible, and some devices currently being used or developed in Canada and the San Francisco area. In fact, the power ramp of one Transbus, if it has the proper slope, is the fastest, since it need not recycle to load more than one wheelchair and able-bodied passengers can simply follow or precede the wheelchairs up the same ramp. In addition to speed, the ramp offers the advantage of permitting use by those with longer than average wheelchairs as opposed to lifts which have fixed platform lengths. Of course, lifts may be required in certain areas where adequate curbs do not exist, but if the ramp slope is made consistent with current architectural standards, the disabled population most likely to use public transportation would be able to use it indpendently. Those disabled individuals who are unable to negotiate such a slope would not likely be venturing out without an assistant.

In line haul transit service, then, the passive device is more suitable than the active.

2. *Front door entry.*—Clearly, front door entry requires a passive device, if service for the handicapped is to be provided within the main transit system. Given the proper device and "trained" user, the front door position allows the operator to remain seated and still be in a position to observe safe operations and provide assistance if necessary. Also, maneuvering the bus so that the front door is adjacent to an unobstructed portion of the stop area is significantly easier than for any other door.

Unfortunately, the front doorways of current 40 ft. buses do not meet minimum width standards for accessibility. Granted, 98 percent of all wheelchairs would pass through a 30-inch opening, but not only would 2 percent of the users be prevented from entering, but, as most able-bodied people fail to realize, the 32 in. minimum standard is necessary to prevent smashed fingers. Few wheelchairs are electrically powered, though there is evidence this would change if accessible transportation were available; in fact, one transit planner has commented that a motorized wheelchair could be considered as one element of a fully accessible transportation system. Widening the front door requires either a change in state law allowing a bus greater than 40 ft, moving the front axle back, or changing the windshield configuration. Either modification could be expensive.

Some unanswered questions remain about maintaining the crashworthiness of the bus so modified. The right front bumper has the highest collision incidence and may require additional reinforcement. However, while the maintenance aspects of a front door lift may cause problems, they are likely to be much less extreme than the operational problems introduced by other configurations.

And then, the issue of accessibility does not concern only wheelchairs. A lift on a high floor bus does not solve the problems of the ambulatory handicapped faced with several high steps. And a "kneeling" feature is less than window dressing when, in an area like Los Angeles County, the distance from curb to first step is normally less than the height of the interior step. And a high floor makes a ramp device either impossibly steep or impractically long.

3. *Rear door entry.*—In addition to many of the problems listed above, the rear door entry has some of its own. Even where all stops are placed on the far side of cross streets, drivers would have significant difficulty ensuring that the rear door is close to the curb. Couple this with the existence of benches, newspaper racks, utility poles, and bus stop signs, and positioning the bus for the loading of a wheelchair may be an operational nightmare. And then the loading operation would require the operator to leave the seat or may require extra employees. True, a more direct path to the securement devices is possible from the rear door, but the other factors seem to make the front door more desirable. Widening the rear door may be somewhat less of a problem than the front, but structural reinforcement will probably be required.

4. *Third door entry.*—If a third door, used only for wheelchairs, is cut in the side of the bus, the requirement for a passive lift is relaxed somewhat. However, the third door must be cut in the vicinity of the maximum "bending moment"; that is, the place where the most structural stress occurs. This would require even more reinforcement than widening the rear door.

Finally, third door entry has all of the drawbacks of rear door entry, and creating such a door would require the removal of one or more seats.

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THE GRADUAL CONVERSION ALTERNATIVE

Given the inadequacy of demand-responsive systems as the total solution, one alternative is to gradually replace, through normal attrition, all present 40 ft. coaches with accessible 40 ft. vehicles. Of course, this program requires the production of such a bus.

From a design and engineering standpoint, as well as cost, it makes more sense to build accessibility in rather than add it on. That was the original intent of the Transbus project, though for all intents and purposes that program has been abandoned. According to information from UMTA, the December 1974 Transbus specifications, and UMTA's July 27, 1976, decision on floor height, the original human engineering design principals have been dropped. The claim from the transit industry has been that the Transbus design, especially the low floor, has been modified in response to the prototype testing. The low floor design must be relaxed, goes the argument, because of possible increased maintenance. However, this may not be the case.

In response to questions before a group of lawyers involved in suits against transit operators, a representative from Booz Allen Consultants admitted that the concern over increased maintenance was largely imaginary. According to reports prepared for UMTA [15, 16], the Transbus prototypes actually had greater approach, breakover, and departure angles than the baseline G.M. Coach used for comparison. Thus, the design modifications, especially to the "accessibility" package, appear to be more a result of pressure from manufacturers than of test results, and the April 30, 1976, UMTA regulations continue to confuse accessibility with wheelchair access only.

In fact, response from SCRTD's attempt to secure accessible 40 ft. buses indicates the obstacles are purely financial, not technological.

Contrary to the claims of some manufacturers of alternative equipment (who would like nothing better than to see plans for an accessible 40 ft. bus scrapped), the problem has not been solved. The 40 ft. bus is not on its way out, to be replaced by fixed guideway and small community buses, as they claim. It costs no less to operate a small bus than a large one, and rapid transit is efficient only when stops are far apart. Thus, heavily traveled lines will not necessarily be replaced by rapid transit corridors. And if high capacity vehicles are justified once during the day, it is less expensive to operate them for the duration of service.

If a viable transit system for the disabled is ever to be created, that system must be designed with the mix of services tailored to the specific district. Currently, in the absence of a production version of an accessible 40 ft. bus, dial-a-ride is the only available option. Until such a vehicle is put in production, transit districts may choose only between poor service to the handicapped or an extremely high budget.

It is clear, from the experience of SCRTD, that given cooperation from UMTA, such a vehicle would be forthcoming. As stated earlier, financial support is the major obstacle. Barring a change in the inadequate UMTA regulations, such obstacles could be removed if transit properties were to realize that their resistance to full accessibility and reliance on demand-responsive modes leads them to false economies.

FULL ACCESSIBILITY/FULL MOBILITY

The only way to provide full mobility for the handicapped is to provide a fully accessible multi-modal transit system. That is, one in which the passenger chooses between a variety of existing modes (including the private automobile) depending upon origin, destination, time available, distance, and a host of other considerations. That is, truly flexible transit, full mobility. This is not the same as some incorrectly believe, as a system in which one mode serves one population, a second serves another, and so on. Unless the passenger can freely and easily choose subsystems, the overall system is not multi-modal but simply a collection of parallel transit systems which do not allow for optimizing each component. The result is service duplication and financial waste.

Again, full accessibility and demand-responsive service are not mutually exclusive. A fully accessible transit system may in fact include a demand-responsive subsystem. Moreover, depending on the characteristics of the district involved, regional service with full-sized vehicles on fixed routes may be the only system that makes sense. In Los Angeles County, for example, the only demand-responsive system that would work would be community based, local feeder/distributor service to such fixed route regional service.

Even assuming all fixed route lines in a community are not intended to provide accessible service, it still makes sense for all buses to be (eventually) acces-

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sible, because: (1) standard accessibility features would have a lower unit cost than optional ones and would likely have increased reliability; (2) as buses are normally shifted among lines, the ability to interchange buses used heavily by the handicapped with those less frequently used would decrease equipment "down time" and extend equipment lifetime; (3) when equipped with passive devices, other accessibility features, such as low floors, wide doors, and shorter steps, benefit everyone.

Why then are transit properties so opposed to full accessibility? Partly because of the myths about the handicapped mentioned earlier and partly because of some fears of what might happen.

SERVICE DEGRADATION

A frequent objection to allowing wheelchairs on line haul service is the assumed service degradation that would occur. "Loading a wheelchair is a lengthy process," goes the argument, and schedules would be seriously interrupted, discouraging use by the able-bodied, and decreasing revenues. This assumption is partly true, based on the slowness of many commercial lifts. Some of this concern is corrected by the characteristics of passive devices; also, most commercial devices are presently slower, albeit not for technical reasons.

All available information indicates that the handicapped are well dispersed in the general population [13]. This means regional service must be provided, but also this dispersal makes it unlikely that there will be enough wheelchairs on one line simultaneously to create significant schedule disruption. Providing two wheelchair spaces per bus not only minimizes such delays, but, assuming 20-minute headways, allows the movement of six wheelchairs per hour in each direction.

Additionally, given the choice (i.e. if they are unemployed), disabled people generally travel during non-peak hours.

But perhaps more important, tests with the Transbus prototypes showed that the low floor and wide door speeded the loading and unloading of able-bodied passengers by more than 50 percent. This increase, coupled with the faster loading of the semi-ambulatory handicapped and elderly, who currently slow service, should more than compensate for wheelchair loading.

One APTA report claims that, since the Transbus would have had better acceleration and speed, it doesn't make sense to slow it down by loading wheelchairs [10]. On the contrary, the fact that it would have these characteristics means it would be ideally suited to negate any such delays.

COST OF FULL ACCESSIBILITY

Many reports, including the aforementioned APTA paper, stress the exorbitant cost of full accessibility. Unfortunately, none of those reports provide any documentation. Moreover, in reading the APTA paper, it becomes clear that the enormous cost stems from an assumption of immediate conversion. There is no question that this would be exorbitant, but gradual change to new accessible vehicles would not be.

For example, the initial cost of any vehicle should be amortized over its life expectancy. While no one yet knows what such a vehicle will cost, Booz Allen estimates 10 percent more (in full production) [2] and Metropolitan Magazine estimates 30 percent higher (but gives no documentation) [9]. There is also an assumption of higher maintenance cost (Booz Allen disagrees) [2]. But most operating costs are involved with labor; even if double maintenance costs are assumed, and the 30 percent higher purchase price is correct, the maximum total increase is less than 15 percent (see table 1). Of course, this is not an insignificant number. But compared to some costs of providing equivalent demand-responsive service, it is considerably more economical.

Furthermore, according to a financial impact statement prepared for UMTA [16], the ability to attract riders who cannot now utilize public transit and the predicted patronage increase because of the low floor and wide door would not only pay for the increased cost but would actually generate enough additional revenue to help decrease operating subsidies.

IMPLEMENTATION

Most transit improvement projects, especially those which involve expansion of bus service, proceed along a predictable path. That is, a consulting firm is hired to survey the area, identifying trip generators, traffic arteries, geographical

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features, existing service, etc. A plan is drawn up and submitted to the local transit district, which modifies it according to its own particular information. When the plan has been reviewed by affected communities, and modified, it is implemented on a trial basis. Those lines which do well are augmented or left the same, and those which do poorly are removed, changed, have headways increased, etc.: "fine tuned" according to use.

When the subject of transportation for the handicapped is raised, however, suddenly reams of extra information is required first: how many handicapped in the area?; what types of disabilities?; where do they live?; where do they want to go?; at what time and how often; etc., etc., etc. However, it is possible to design a process for implementing transportation for the handicapped which corresponds more closely to the usual procedure. The Southern California Rapid Transit District, serving Los Angeles County, has attempted to do just that.

First, major generators were identified:

(1) Colleges and Universities, many of which have handicapped student programs and are actively recruiting disabled students (The California Department of Rehabilitation last year granted $1,430,000 for the removal of architectural barriers on college campuses).

(2) Major centers of employment, including the Los Angeles Central Business District. California law now requires new construction to be accessible if a handicapped person could be employed therein, and physical disability had been added to the California Fair Employment Practices Code.

(3) Major transportation centers, including Los Angeles International Airport which provides accessible vehicles for some shuttle service, and the Greyhound lines, whose new "Helping Hand" program is designed to assist the handicapped traveler.

(4) Major entertainment centers, such as Disneyland, Knotts Berry Farm, the Music Center and others.

(5) Major hospitals and rehabilitation centers such as Rancho Los Amigos and Northridge Hospital Rehabilitation Center.

(6) Existing community based dial-a-ride services, of which there are several operating, and several proposed.

The existing and proposed demand-responsive systems will provide the feeder/distributor network and SCRTD will be able to fulfill its legal mandate to provide regional service.

Having identified the above generators and the appropriate lines, and given the number of buses to be expected in the first order (530 in this case; 200 on the initial order with 330 to follow) the lines can be selected which connect the maximum number and varieties of generators which will allow base period headways to be maintained. If properly planned, a skeletal grid system can be established which assures base period headways at all times with inaccessible trippers in between during peak. This service can then be fine tuned according to demand and usage. As new equipment is purchased, new lines can be made "accessible" or headways decreased on existing lines. Already, several small cities and councilmanic districts have drawn dial-a-ride plans to augment the regional lines as they go into effect.

Such a plan has two advantages over so-called "interim" demand-responsive systems: (1) It establishes regional service immediately, and (2) it does not produce such a financial drain that expansion of service to the handicapped becomes untenable.

SAFETY

Most industry concerns about safety are based on the misconceptions held about the handicapped. But there are some real concerns to be addressed; however, these considerations should be discussed in light of the real, rather than imagined, capabilities of the disabled. One important fact to remember is that some disabled people will never use public transit and others will never use it without an attendant.

The safety problems likely to occur in transporting disabled passengers are not necessarily more numerous or more serious than those of the able-bodied population, although many safety considerations are different. For example, it is doubtful that a 100 percent universal tiedown device is possible without cooperation from wheelchair manufacturers. However, one available design will accommodate about 98 percent of all wheelchairs, provided a simple bracket is attached to some chairs. While the particular device is not suitable for use under jump seats, its design constraints were different. Certainly, good securement devices are possible given sound engineering and technical knowledge and consultation with competent disabled individuals.

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Furthermore, while some new safety problems may arise by transporting handicapped individuals, many existing safety hazards will be removed because of the wide door and low floor (and, consequently, only one low step) [2].

In addition, some assumed safety problems may evaporate given properly informed passengers, disabled and otherwise. Similarly, other problems may arise in practice. In short, attempting to address all such possibilities before the fact is counterproductive and should not be used as an excuse for delaying full accessibility. In the end, the only way to find out what the problems are is to proceed, and solve them as they arise.

THE PUBLIC IMAGE

Actually there are larger issues than just transporting the handicapped. The whole future of public transportation is involved. Consumer Reports points out that buses are really designed so as to be convenient for only a small segment of the population [6]. So the question of an accessible bus is really whether there is to be public transportation or transportation for the minority only.

If public transit is to become a viable alternative to the automobile, it must be made attractive to the maximum number of people. Transit operators often assume that the necessary and sufficient condition to do that, is to improve schedules. Even with the best schedule possible, there will still be a significant number of people who will find the physical design of a bus unacceptable, and that number is much larger than just the elderly and handicapped.

In all the concern about slow schedules caused by loading wheelchairs, where is the concern about slow schedules caused by high floors and narrow doors? Why haven't transit operators invested as much time and effort trying to improve schedules by specifying a low floor and wide door as they have invested in resisting full accessibility? In terms of cost, those two items, which would benefit all passengers, are the most expensive; after that, a lift or ramp is pocket change.

This is not to say, of course, that a bus designed with a low floor and wide door will cause the masses to flock to public transit, but it would go a long way to improve its image. Far from causing service degradation and discouraging use by the general public, an accessible bus would likely attract many more than it would turn away.

One more concern is that a large portion of the able-bodied population is uncomfortable in the presence of the handicapped. True enough, but with architectural barrier laws creating a more accessible environment, rising public awareness, and increasing opportunities, more and more disabled are becoming visible. Those who are uncomfortable will have to get used to it.

PASSING THE TEST OF EQUIVALENCY

An official of HEW objects to full accessibility on the grounds that it may not serve the needs of the handicapped. "How we meet the needs of the elderly and handicapped should be tempered with our knowledge of *their real needs* not our perceptions of their needs . . ." (emphasis hers). She later writes ". . . How can we talk of anything but door-to-door services for the disabled . . .?" [4]. The "professional" who "knows what's best" for the disabled have begun using the phrase "full mobility" to describe demand-responsive advantages. In fact, however, full mobility can only be achieved by full accessibility without an astronomical budget.

Some knowledgeable sources from UMTA believe full accessibility is inevitable; the only question is when and how. The missing ingredient is a full-sized accessible coach. Only when such a vehicle is available will transit properties be able to design the optimum mix of services for their particular area characteristics: the mixe to optimize service and minimize cost. The longer the production of that bus is deferred, the more likely political pressure will force the creation of inadequate, financially draining, demand-responsive systems.

But will the disabled use such buses if they are placed in service? And, since the disabled are a small number, is the provision of service justified? Aside from the legal answers, there may be come statistical ones. In a survey by Mark Battle and Associates, it was determined that 40 percent of those disabled interviewed would use the service if available [1]. And these were noninstitutionalized individuals who could most likely use public transit except for the design of equipment. If, for example, the estimates of the disabled population of Los Angeles County are correct, this percentage would be more than one-quarter of the total daily ridership for SCRTD.

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In the interest of self-preservation, then, transit properties across the country should be pressuring UMTA and manufacturers to create an accessible (40 ft.) bus. Manufacturers will continue to create vehicles to suit themselves as long as the customers delude themselves into believing that an accessible bus is not in their best interest. So long as transit properties are servants to manufacturers, public transit will continue to suffer.

The case for full accessibility is in reality the case for public transit.

TABLE I.—SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

Item	Hourly	Assumed double maintenance
Driver	$6.15	$6.15
Fringe benefits	2.03	2.03
Supplies	1.10	1.10
Maintenance	2.04	[1] 4.08
Overhead	1.67	1.67
P.L. & P.D	.55	.55
G. & A	1.02	1.02
Cost	14.56	16.60

[1] Assumption made for sake of argument only. There is no reason to believe maintenance costs will actually double

NOTES

Cost per bus per year: Current equals $14.56 times 14.19 hours times 26 equivalent workdays times 12 mo equals $64,443 per bus per year. Accessible equals $16.60 times 14.19 hours times 26 equivalent workdays times 12 mo equals $73,493 per bus per year (increase of 14 percent per year).

Purchase price (approximate): Current bus—Initial cost, $60,000; life expectancy, 15 yr; annual cost, $4,000; total annual cost, $68,443. Accessible bus (estimated)—Initial cost, $78,000; life expectancy, 15 yr; annual cost, $5,200; total annual cost $78,693 (maximum), (increase 14 percent).

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american public transit association

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executive director

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james c. mcconnon

January 16, 1976

Ms. Sallyanne Payton
Chief Counsel
Urban Mass Transportation Administration
400 Seventh Street, S. W.
Washington, D. C. 20590

Dear Ms. Payton:

Enclosed is a revised copy of an APTA staff analysis, "Costs of Implementing Regulations on Elderly and Handicapped Transportation Services." I hope these cost estimates will prove useful to you in drafting the final version of the regulations.

If you have any questions or wish clarification of any of the points raised in this analysis, please do not hesitate to contact us.

Very truly yours,

B. R. Stokes

PRB:ml
ENCLOSURE

1100 17th street, n.w., washington, d.c. 20036 phone (202) 331-1100

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COSTS OF IMPLEMENTING REGULATIONS ON ELDERLY AND HANDICAPPED TRANSPORTATION SERVICES

January 16, 1976

This paper represents an attempt to quantify the costs of implementing the UMTA proposed regulations regarding Elderly and Handicapped Transportation Services, as published in the February 26, 1975 Federal Register (40 FR 8314).

METHODOLOGY

Implementation costs have been computed for each section of the proposed regulations. Some of the cost elements are of a one-time nature to achieve conformance (such as modifications to fixed facilities); others are repetitive, in the sense that costs will be incurred each year for example, higher maintenance costs or capital costs for additional equipment on rolling stock) To make it possible to integrate these two types of costs, we have converted each to an annual average One-time costs have been assumed to incur over the firs twenty years after the promulgation of the regulations; this figure being chosen as a reasonable timetable for modification of all fixed facilities Total estimated one-time costs have been simply divided by twenty to produce an annual figure Repetitive costs, by their very nature can be easily computed on an annual basis By adding these two types of costs together the total figure represents the annual cost of implementation over a twenty year period.

Future costs have not been discounted, because of uncertainty as to exact timetables for implementation. Also, no allowance has been made for inflation; all computations are in 1975 dollars.

A number of factors combine to make these figures extremely conservative. First, lack of precedent in providing specialized service on such a grand scale means that documentable costs for some aspects of the service do not exist. Where reasonable assumptions could be made, we have done so; where they could not these costs have been omitted Second, computations which are population-related have been based on 1970 census data. This data is already out of date; applying it to a twenty year period understates the demand for service.

SECTION 609.9: TRANSPORTATION PLANNING IN URBANIZED AREAS

Transportation planning efforts in urbanized areas would require an annual expenditure of funds. However the present lack of knowledge regarding the size and distribution of the elderly and handicapped population, types of service which should be provided, and travel demand generated, would require significant initial e forts, including major surveys followed by less intensive annual up-dates. Costs were computed by averaging the two types o expenditures over the twenty year period, using the following cost estimates:

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Initial Effort:	Urbanized areas greater than 4 million population, first year cost	= $ 400,000 ea.
	Urbanized areas greater than 500,000 and less than 4 million population, first year cost	= $.10 per capita
	Urbanized areas less than 500,000 population, first year cost	= $ 50,000
Annual Update:	All urbanized areas, $25,000 ea.	

TOTAL ANNUAL COST, SECTION 609.9 = $6,730,000.

SECTION 609.11 TRANSPORTATION PLANNING IN NONURBANIZED AREAS

This section requires that planning for elderly and handicapped persons take place in nonurbanized areas as a condition for approval of capital assistance. Estimation of the total planning costs are hampered by a lack of information on the number of past capital grants to recipients in nonurbanized areas and the difficulty of estimating future grants. To estimate these planning costs, we have established a list of 66 known publicly owned transit systems outside of urbanized areas. This list is subject to two types of error for this application. First there is no question that the list is incomplete; this would lead to underestimation of planning needs. Second, it is probable that not all publicly owned systems in nonurbanized areas would apply for Federal capital assistance this would lead to overestimation of planning needs. We have assumed these to be compensating errors. Computation method is the same as the preceding section.

Initial Effort:	= $50,000 ea.
Annual Update:	= 10,000 ea.

TOTAL ANNUAL COST, SECTION 609.11 = $792,000

SECTION 609.15 FIXED FACILITIES

For these computations concerning fixed facilities, the scope has been restricted to rapid transit stations. Bus facilities have not been included because of a lack of detailed knowledge of their physical characteristics. Costs for individual station modification are drawn from detailed construction estimates for tations on the Chicago Transit Authority rapid transit system, di ferentiated by underground elevated, and surface location and center, side, and multiple platform configurations. These costs have been applied to all stations on the systems which would have to be modified - those in Boston, Chicago, Cleveland, New York, and Philadelphia

Only first-time capital costs have been computed. Maintenance and operating costs would be increased as a result of elevators and information systems, but these costs would be minor compared to initial costs, and so have not been estimated.

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Number of Stations:

	Center Platform	Side Platform	Multiple Platform
Subway	148	262	29
Elevated	82	220	11
Surface	48	39	4

Estimated Costs of Modification ($1,000's):

	Center Platform	Side Platform	Multiple Platform
Subway	1,390	1,280	1,825
Elevated	943	905	1,810
Surface	80	90	140

TOTAL ANNUAL COST, SECTION 609.15 = $45,000,000

SECTION 609.17 LEVEL-ENTRY VEHICLES

Capital Costs:

The modifications to rail vehicles have been considered as a repetitive annual cost item, as all new vehicles purchased would have increased costs as a result of the requirements of the regulations. Computed costs comprise only the increment generated by modifications needed for compliance with the regulations.

The volume of vehicles to be purchased which was used for computation is taken directly from the APTA United States Transit Industry Market Survey - June 1975. Although this survey only determined demand for vehicles for a five year period, the annual average demand has been assumed to be applicable for the entire twenty year time-frame used here.

Heavy Rail Vehicles:

The increased cost may be accounted for by a number of vehicle modifications. The modification with the greatest impact would be that necessary to achieve a maximum horizontal gap between boarding platform and vehicle doorway of two inches. Vehicle dynamics dictate that the clearance between the car body and any other object exceed this amount Using foreseeable technology there is no means by which lateral movement of the vehicle may be kept within such limits as to allow only two inches of clearance. Consequently it would be necessary to utilize some mechanical means to reduce this gap to two inches or less after the vehicle has stopped. Although it is possible that such a device could be incorporated into the boarding platform, we have assumed that a vehicle-mounted device would be simpler. It should be noted that no device presently exists to accomplish the function called for. Other costs are self-explanatory, and are listed below.

Equally important are factors not included. No account has been taken of the additional fleet size which might be required by the loss of seating space in each vehicle. No costs have been assumed for public address systems and improved lighting, as these are felt to be minor modifications.

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Number of Vehicles:

Minimum anticipated annual purchase	= 383
Maximum " " "	= 474
Average " " "	= 429

Cost per Vehicle:

Horizontal Clearance Reduction Devices (2 per car)	= $20,000
Wheel-chair securement Devices (2 per car)	= 4,000
Stanchion padding	= 300
Destinations Signs & Miscellaneous	= 200
Total	$24,500

Total Annual Heavy Rail Capital Cost = $10,500,000

Light Rail Vehicles:

Modifications for light rail vehicles differ sightly from those for heavy rail vehicles, due to differences in configuration of vehicles and wayside facilities. Since LRV's have the capability of operating in both high and low platform service, we have assumed the need to provide for both reduction of horizontal clearance, and the wheel-chair lift capability at one door of the vehicle.

Number of Vehicles:

Minimum anticipated annual purchase	= 368
Maximum " " "	= 348
Average " " "	= 358

Cost per Vehicle:

Horizontal clearance reduction device	= $10,000
Wheel-chair lift	= 7,000
Wheel-chair securement device	= 2,000
Modifications & padding on stanchions & farebox	= 1,100
Total	= $20,100

Total Annual Light Rail Capital Cost = $7,200,000

Operating Costs:

Increases in operating cost have not been computed. This is an area in which insufficient data exists. We know of nothing comparable to the device used to reduce horizontal clearances and so cannot estimate the amount of maintenance required.

TOTAL ANNUAL COST, SECTION 609.17 = $17,700,000

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SECTION 609.19 STEP-ENTRY VEHICLES

Capital Costs:

As with level entry vehicles, cost data for step entry vehicles includes only the additional costs incurred by the modification of these vehicles to allow full accessibility. Because these modifications must occur on all vehicles purchased in the future, this cost item is a repetitive one. Both motor buses and trolley coaches are included.

The number of vehicles to be purchased has been estimated using the APTA Market Survey as a basis. The estimates are reduced somewhat from the reported volume, because of uncertainty regarding long-term acquisition programs.

The cost per vehicle includes a number of specific items. It is assumed that to meet the requirement of an 8 inch first step, a mechanized, retractable step would have to be added to each vehicle. Other cost items are as listed below, for a total increase in cost per vehicle of $10,200. This figure has been designed to be approximately 16% of the cost of an unmodified bus, which in 1975 averaged $63,590, as reported in the above cited Market Survey. The percentage increase is based upon an actual recent manufacturer's bid to equip coaches with the equipment listed below.

Number of Vehicles:

Estimated vehicles purchased per year	= 5,800

Cost Per Vehicle:

Door Closure & Interlock	= $3,100
Retractable Step	= 1,700
Public Address System	= 2,200
Modifications & padding on stanchions and fare box	= 1,100
Lighting - Inside and outside	= 1,500
Destination sign modifications	= 600
Total	$10,200

Total Annual Capital Cost = $59,200,000

Operating Costs:

Increased maintenance costs for step entry vehicles can be somewhat more easily computed. Since only newly-purchased vehicle would be subject to these costs, the size of the fleet used for computation increases over time. A twelve year vehicle life has been assumed, so that twlve years after the promulgation of the regulations, all vehicles in operation would be accessible. A present fleet size of 50,000 has been assumed, with replacement at the rate of 4,200 vehicles per year and expansion at the rate of 1,600 vehicles per year.

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Total Vehicle-years of Operation in twenty years	=	944,000
Average vehicle-years per year	=	47,220
Average miles per vehicle per year	=	32,000
Average annual operating cost	=	60,400,000

TOTAL ANNUAL COST, SECTION 609.19 = $119,600,000

SUMMARY

The total annual cost for all sections (excluding alternative service) is $190,000,000, composed of the following elements:

Section 609.9	=	$ 6,730,000
" 609.11	=	792,000
" 609.15	=	45,000,000
" 609.17	=	17,700,000
" 609.19	=	119,600,000

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ALTERNATIVE SERVICE

Section 609.9 of the regs mandates that alternative service improvements be considered as a part of the planning process. Although no specific alternatives are specified, we have computed costs for a demand responsive service. Because alternative services are not directly required by the regs, this cost is calculated separately. However the fact that they are pointed out as a specific planning work item indicates that implementation may be expected at some point in the future, and so should be addressed in this cost calculation.

Because these regulations require accessibility of the full transit system before any alternative services are established, we have assumed the travel demand to be partially served by the conventional transit systems, partially by the alternative services.

Several of the parameters used in calculating vehicle requirements for alternative services are values determined for the Chicago region, but have been assumed to apply nationwide. An MIT study has determined that the number of vehicles required for a demand-responsive service is:

$$N = \frac{(1.1)\quad A\quad (0.68 + (0.072)\quad (0.76)\quad \left(\frac{(0.85)\ QRP}{AT}\right)}{\sqrt{LOS}}$$

Where N = Number of vehicles
1.1 = A factor allowing for spares
A = Area in square miles for service
0.76 = Number of daily trips desired by transportation handicapped (computed for Chicago, assumed to apply nationwide)
0.85 = Fraction of trips made from 9 a.m. to 4 p.m.
Q = Percentage of riders who will use specialized service instead of regular transit service (assumed = 51%)
R = Ridership market varies between 1.3% and 2.5% of the population (Assumed 1.9%)
P = Total population in the area
T = Length of service per day (assumed = 7 hours)
LOS = Level of service, varies between 2 and 3 (assumed = 2.5)

The number of vehicles for all urbanized areas was computed using aggregate population and land area figures for all urbanized areas.

Vehicle capital costs have been assumed to be $18,000 for 6-12 passenger vehicles and $36,000 for 12-25 passenger vehicles. Life spans for these vehicles have been assumed to be 6 and 12 years respectively, making the per year capital cost for either type $3,000.

Operating costs have been assumed to be $22.75 per hour of operation, based on a 50-hour operating week.

Number of vehicles: N = 28,269

Capital Cost: Per vehicle per year - $3,000

Total Annual Capital Cost = $84,800,000

Operating Cost: Per vehicle per year = $59,200

Total Annual Operating Cost = $1,670,000,000

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TOTAL ANNUAL COST, ALTERNATIVE SERVICE = $1,750,000,000

It should be noted that this calculation assumes that all travel needs would be met by transit and alternative service. It is unrealistic to the extent that many elderly and handicapped persons have access to and would prefer to use other modes, such as using a taxi or riding with a friend. This calculation may therefore be viewed as representing the absolute upper bound of funds required to supply specialized transportation services. The extent to which such services are provided is a matter for future policy decision.

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SCRTD TO OPERATE 200 FULL SIZE ACCESSIBLE BUSES

By: Dennis Cannon
Consultant, Transportation for
the Elderly and Handicapped

On October 22, 1974, the Board of Directors of the Southern California Rapid Transit District (SCRTD) adopted a policy that "specifications prepared for buses to be purchased in the future provide facilities to accommodate handicapped persons, including those confined to wheelchairs". On October 13, 1976, the Board awarded the contract for the first 200 wheelchair accessible 40 foot transit coaches to begin the program for district-wide service to both the elderly and the handicapped. Thus, after almost two years of negotiation and modification of specifications, during which the handicapped community actively participated, SCRTD will become the first transit property to begin operating full size accessible buses on regularly scheduled fixed-route services.

District involvement with the handicapped community predates the October, 1974 resolution, when an ad hoc advisory committee was created with representatives of the California Department of Rehabilitation, Los Angeles Council of the Handicapped, and the California Association of the Physically Handicapped (CAPH). In

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April, 1975, the Citizens Advisory Committee on Accessible Transportation (CACAT) was formally established. CACAT includes representatives of the above organizations as well as several other advocacy organizations of the disabled. In addition, a committee composed of senior citizens provides input from this segment, as the District recognized that the transit needs of these two groups are not always identical. These committees were some of the first efforts in the nation to involve handicapped and elderly consumers in the planning process rather than social service and health agencies whose contact with the handicapped themselves is often as limited as the transit property's contact. As a result, the programs for the elderly and handicapped have responded directly to the needs of these people rather than to some preconceived idea of the appropriate service.

In addition to the advisory committees, SCRTD also employed in February, 1975, a disabled consultant to continuously monitor District programs. In addition to continuous updating of bus specifications, this cooperative effort has resulted in a headquarters building modified for accessibility beyond legal requirements and a functioning affirmative action program to hire the handicapped.

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Thus, attempting to meet Board direction, staff originally wrote specifications for new buses to include a low floor, single low step, wide door, as well as a level change device for wheelchairs. However, manufacturers were unable or unwilling to meet UMTA requirements on these specifications and did not bid. After further consultation with some vendors, the specifications were redrawn and bids were received from all three manufacturers on September 21, 1976. Ironically, contrary to industry claims, the features required to benefit the elderly, semi-ambulatory handicapped, and able-bodied passengers (i.e., low floor, low step, wide door) caused the most problem rather than the wheelchair access. As a result, these first 200 buses will have standard 34" floor height, a "passive" life (i.e., one which does not interfere with the boarding of able-bodied passengers through the same doorway), 32.5 inches clear opening between grab rails, and securement for two wheelchairs. Unfortunately, the absence of the low floor does not permit the use of a ramp.

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In the continuing debate between full accessibility vs. separate demand responsive systems only, the concept of service equivalence has rarely been addressed. In all the discussions of existing and proposed specialized services to date, the door-to-door feature is presumed to be a legitimate substitute for most of the criteria which characterize an adequate system for the able-bodied population. For example, it is the intent of the SCRTD Board that service to the elderly and handicapped should (1) cover the entire service area, (2) operate during the same hours as service provided for the able-bodied passengers, (3) have no higher fares than the existing system, (4) not be restricted to only certain trip purposes, (5) require no more than the usual number of transfers and take no longer to travel between any two points, and (6) not require any more advance decision to travel than anyone else. And perhaps most important, the system should have no "waiting lists" of those to whom service is denied. Logistically and economically, then, the only way to provide such full mobility to the elderly and the handicapped is through full system accessibility.

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As far as cost is concerned, there is no question that full accessibility is more cost-effective than equivalent specialized services. A case in point are the 200 buses ordered. Southern California Rapid Transit District, as every other transit district, must replace buses periodically, as well as purchase more for expansion of service. Such purchases are part of the normal budgetary estimates which also include the funds necessary to operate them. These buses will cost $8,000 more than standard buses whereas the vans purchased by a nearby dial-a-ride cost $15,000; mid-sized buses cost $60,000 in 1974. Therefore, SCRTD will purchase wheelchair accessible vehicles for essentially $8,000 each, since it would have bought 200 standard buses anyway. And the operating expenses for those 200 coaches are already included in the budget. On the other hand, had the District chosen to purchase 200 small vehicles for a specialized service district-wide, it would have paid more than $15,000 each. At today's costs, the average cost per bus year is estimated to be $83,000 annually; the cost in 1974 was over $64,000 per year. Because the operating cost is almost all labor, it costs virtually the same to operate small or large buses on any type of service. Thus, the District would

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have to spend an additional $12,800,000 per year just to run separate buses. In addition, previously designed demand-responsive systems have shown that, to operate dial-a-ride service, one telephone operator and one dispatcher are required for every 2.2 vehicles. This equates to 91 dispatchers and 91 operators and additional telephone equipment at a 1974 cost of $2,375,000 per year. Thus, over $15,000,000 per year would have to be spent by 1974 estimates and costs are much higher today. All this just to operate 200 buses, one for every 11.4 square miles of service area, and a nearby dial-a-ride has shown that the job cannot be done with one vehicle for every 8.3 square miles. Our reports show that to operate equivalent service requires at least one vehicle for every 5 square miles, or 455 vehicles (for the SCRTD service area of 2,280 square miles) at an estimated yearly cost in excess of $40,000,000, by 1976 costs. Typical farebox revenue provides about one-third of the operating costs, but small vehicles hold less than half the number of passengers and, by federal regulation, these passengers must be granted half fare. Specialized service costs more but generates less than one-quarter of the usual revenue, based on operating experience throughout the nation.

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An additional cost impact predicted is increased maintenance. However, since actual maintenance is a relatively small percentage of total operating costs, "worst case" estimates are only expected to add 3% to operations, or $500,000 for the 200 buses. As product reliability increases, these costs are expected to diminish.

Another predicted impact is increased dwell times and serious service degradation. However, not only does all data indicate that the handicapped are dispersed throughout the population, such that a significant number of people using any given line at the same time is unlikely, but loading and unloading is not as time-consuming as previously thought. In time trials conducted with prototypes of the vehicles ordered, total loading time, including wheelchair securement and lift stowage was approximately 45 seconds. Total time from door open, release of wheelchair, exit and stowage of lift was approximately 40 seconds. Many current riders who have difficulty climbing stairs take longer than this to board. Using the lift as a "three-sides elevator" may actually speed boarding in some cases, although the low floor and ramp are far more advantageous. However, it is expected that the total system impact will be negligible.

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True, not all handicapped people can use accessible fixed route service and specialized supplemental services may be appropriate in some cases. Such demand responsive systems can be optimized when restricted to community operation but this is not within the province of a District charged by law with providing regional transportation service. Such restricted service may, however, be equitably provided by councilmanic districts, municipalities and the like, whose areas are small. For the District to provide restricted service may meet the letter of Section 16 of the UMT Act, but certainly not the spirit.

Therefore, the rational means to implement service to both the elderly and the handicapped is to begin by making the existing fixed route system accessible (and not just for wheelchairs), connecting with existing and proposed door-to-door service, and then utilize demand-responsive systems only to augment where necessary. This allowe both systems to be optimized and neither will bear the unreasonable burden of one system trying to meet all the transportation needs of all handicapped.

On January 12, 1977, the SCRTD Board of Directors approved the initial deployment plan. Twenty-three lines will be utilized for initial implementation of these buses, representing approximately 10% of regularly scheduled service. These lines have been consolidated to four operating divisions to expedite proper training, maintenance, and operating

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procedures. Buses will be operated to provide base frequencies, where possible, throughout the day. For example, on a line which operates every 20 minutes during midday and every 4 minutes at peak, every bus will be accessible during midday and every fifth bus during peak. This allows more routes to be initially accessible with lessor frequencies while maintaining peak seating capabilities. Thus, it will be possible to traverse the District rather than being restricted to a specific area. It has been decided to maintain a spare factor of 15% to insure proper protection of the schedules.

The route selection is predicated on a previously prepared SCRTD Report that there are in excess of 350,000 transportationally dysfunctional handicapped in Los Angeles County, who are dispersed in the population, and whose travel patterns are not significantly different from the average. Therefore, initial lines have been chosen to provide service to:

1) Colleges and Universities
2) Airports, bus and train terminals
3) Regional shopping centers
4) Business districts and concentrations of employment
5) Major entertainment attractions
6) Community based demand-responsive systems
7) Hospitals and rehabilitation centers

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An in-depth marketing and evaluation program will supply data with which to fine tune the system and suggest assignments for future purchases.

Buses are expected to arrive this summer and the first phase of implementation may begin before the end of 1977.

Aside from these near future plans, the District has offered a Reduced Fare Program for the elderly and handicapped since June 1975. The District was one of the first to initiate such a program, developed in close cooperation with the handicapped and elderly communities. The lower fare is in effect at all times rather than only during off-peak hours. Over 10,000 cards have been issued to the handicapped to date.

It is the District's continuing belief that a totally accessible bus (i.e., one with a low floor) is in the best interests of SCRTD passengers and that such a vehicle will be forthcoming. Until then, available equipment will only partially suffice to meet the goal of providing equivalent rather than separate-and-unequal transportation for the elderly and handicapped.

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Southern California Rapid Transit District
425 South Main St., Los Angeles, California 90013
Telephone: (213) 972-6000

JACK R GILSTRAP
General Manager

January 11, 1977

TO: Members of the Board of Directors

FROM: Jack Stubbs, General Manager Pro Tempore

SUBJECT: Proposed Placement of 200 Accessible Buses

SUMMARY

For the past several months the Planning Department has been preparing data to support the placement of 200 AM General buses, which will be equipped with special features for the elderly and handicapped. Analysis which has been transmitted to your Board by our Consultant indicates that there are no definite concentrations of the handicapped. Data received from membership rosters of various agencies and civic groups, vehicles owned by disabled persons with special California licenses, our Reduced Fare Program card holders and census data pertaining to senior citizens has been thoroughly reviewed. In addition, facilities known to have special programs for the elderly or handicapped have been identified so that origins and destinations may be linked to the most direct possible bus routes. With the criteria described in Attachment IV, staff has developed a proposal to place the 200 coaches.

Staff proposes that 23 lines be utilized for initial implementation of these buses; 4 operating divisions have been selected to expedite proper training, maintenance, and operating procedures. It is proposed that a 15% spare factor be utilized initially to protect the accessible assignments as the District does not have operating experience with AM General buses nor with the lift equipment which will be included on them. Buses will be assigned as shown in Attachment I to maintain base frequencies where possible. Non-accessible buses will be added as peak passenger travel requires. For example Line 35 (Northridge-Ventura Boulevard-Los Angeles Freeway Flyer) operates every 20 minutes during the midday period. Line 35 operates at 4 minute intervals during rush hours; approximately every fifth bus at this time would be accessible. This approach allows more routes to be accessible with lesser frequencies while maintaining present peak seating capabilities, as there will be fewer seats on

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these accessible buses if wheelchair passengers are on board. The District presently operates approximately 2,000 scheduled buses excluding spares. The proposed placement of approximately 171 accessible buses equates to approximately 9% of the scheduled buses operating over 10% of the District's routes.

Although these buses will be arriving over a 3 month period it is proposed that the accessible routes will commence operation with the lift mechanism on one date, preferably in September. This will enable proper marketing and schedules to indicate which trips will be accessible and allow the public a time to acquaint themselves with this new type of bus.

In ensuing months staff will report to you on the proposed training and marketing plans relating to the placement of these coaches and the eventual evaluation of the impact of this new type of service.

In order that these accessible buses can be efficiently maintained at a minimum number of operating divisions, it will be necessary to reassign the operating division for 15 lines. It is estimated by the Operations Department that these reassignments will incur an additional annual cost of about $70,000.

The proposed placement of the 200 buses as shown in Attachment #III has been approved by the New Services Review Board and the Citizens Advisory Committee for Accessible Transportation (CACAT). With your approval we will continue to refine the accessibility program.

RECOMMENDATION

In view of the community impact of these proposals, the District's Board of Directors' review and concurrence is requested.

Respectfully,

Jack Stubbs, General Manager
Pro Tempore

By G.W. Heinle
Manager of Operations

By G.L. McDonald
Manager of Marketing
& Planning

By S.T. Parry
Surface Planner

Attachments

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Attachment #I

PROPOSED PLACEMENT OF 200 ACCESSIBLE BUSES

Line No.	Present Service Frequencies						Proposed Frequency of Accessible Buses			
	DAILY				Sat.	Sun.	Daily	Nite	Sat.	Sun.
	Peak	Base	Nite	Owl						
2	5	20	30	Yes*	10/20	20	20	30	20	20
9	6	15	30	Yes*	20	30	30	30	40	60
24	20	20	60	No	20	20	60	60	60	60
35	4	20	60	No	20	20	20	60	20	20
36	8	30	60	Yes	30	30	60	60	60	60
44	5	10	30	Yes*	12	20	20	30	24	20
83	2	4	20	Yes*	7	10	24	20	28	30
88	15	30	60	No	30	60	30	60	30	60
93	4	15	30	No	15	20	30	30	30	40
95	3	10	20	Yes*	15	20	30	40	30	40
152	20	20	60	No	20	20	40	60	40	40
423	20/60	20/60	30/60	No	20/60	20/60	20/60	30/60	20/60	20/60
432	20	20	30	No	20	30	20	30	20	30
440	30	30	60	No	30	60	30	60	30	60
447	30	30	30	No	30	60	30	30	30	60
480	7	20	60	No	30	30	20	60	30	30
800	15	30	60	No	30	30	30	60	30	30
813	30	30	60	No	30	60	30	60	30	60
820	5	15	30	No	15	20	30	30	30	40
827	30	30	30	No	30	60	30	30	30	60
841	30	30	60	No	30	30	30	60	30	30
846	30	30	60	No	30	60	30	60	30	60
849	30	30	30	No	30	30	60	60	60	60

* Owl Buses Operate Only Over a Portion of the Full Route of Line

Planning Dept.
1/11/77

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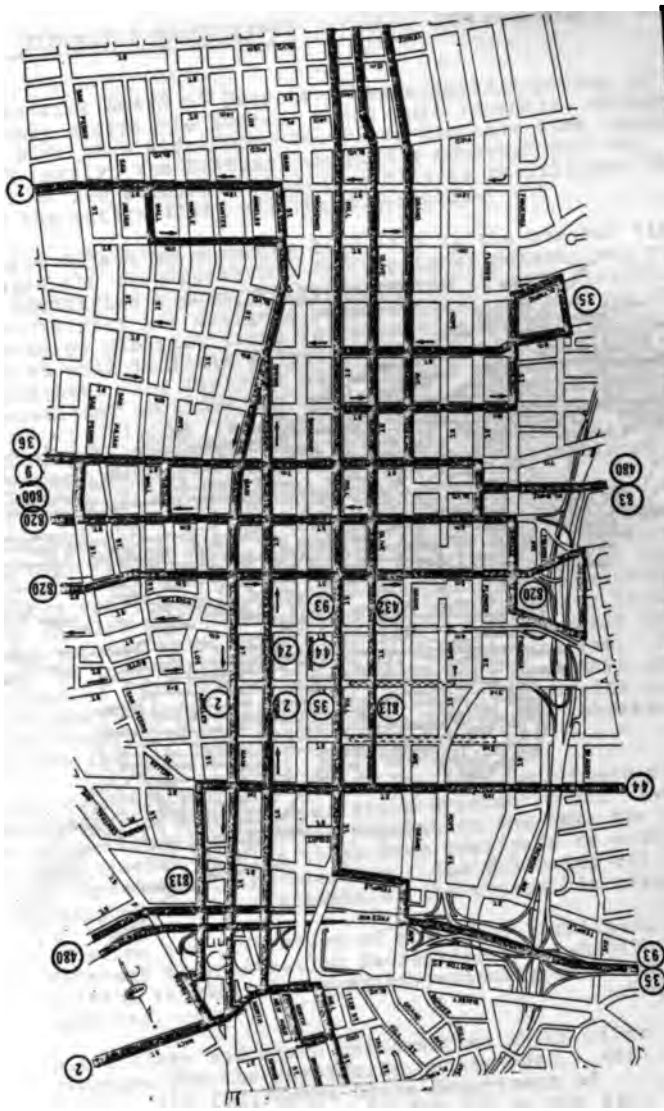

DOWNTOWN LOS ANGELES

Attachment #II

Planning Department
7/11/77

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Attachment #III

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EXHIBIT M. ELDERLY & HANDICAPPED Attachment #IV

The District Board of Directors has adopted a policy of acquiring only accessible buses. Until just recently, attempts to receive bids on a wide-door, low-floor bus have been unsuccessful. Recently, the District awarded a contract for the procurement of 200 accessible buses, and it is anticipated that eventually the entire fleet will be accessible.

As there exists no accurate data base at the present time which locates the transportation dysfunctional person, nor subsequently identifies a comprehensive program to meet specific needs, the District has designed basic criteria to measure the effectiveness of skeletal fixed route service and a resultant formula which will indicate priorities for the placement of accessible coaches. The District has retained the services of a special consultant to study the needs and locations of the handicapped population. The attached report indicates the preliminary findings of his analysis which incorporated statistics from many agencies. A summary of the results substantiated the District's approach as herein described.

At the present time, the District operates 195 regular service routes within four counties of the Southern California area, covering over 2280 square miles. Ten subscription lines offer reserve seat, commuter service to the financial district in the Los Angeles CBD. Nine peripheral park-and-ride locations offer express service into the CBD; several others are planned in the District's near-term improvement program. The present fleet of 2395 coaches provides service over this complement of lines, ranging from major trunk local service to express and interurban lines connecting all of the suburban cities within the service area.

As our Citizens Advisory Board has concluded, there are no concentrations of the transportation dysfunctional. Rather, they are spread among the general population and have the same mobility requirements forming trips from residence to work, shopping, entertainment, and learning. The following criteria have been designed in the placement of the accessible coaches:

1. Location identification of all major hospitals, Veterans Administration facilities and rehabilitation services operated by various government agencies.

2. All college and state universities which offer programs for the physically handicapped. Recently, the California State Department of Rehabilitation provided $1,463,000 to the various college and universities for the removal of architectural barriers. Concurrently, the Chancellor's office of the California State University and College System issued guidelines for the establishment of Handicapped Student Services on the various campuses.

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As a result, most universities and colleges within our service area are not only accessible to disabled students but are actively seeking them.

3. Major transportation centers: all lines which serve regional bus stations, railroad stations, and airline terminals will be accessible.

4. Entertainment activities: all major locations which provide entertainment to the general public will be accessible, including Disneyland, Knott's Berry Farm, Marineland, Universal Studios, Busch Gardens, and all recreational facilities including beaches, sports centers and race tracks.

5. Major places of employment including the CBD's of the largest cities within Los Angeles County, industrial centers, and subregional office complexes.

6. All regional shopping centers.

7. Interurban lines which connect the outlying areas with the above points of interest.

The criteria above were applied to each line. Before assigning the coaches to specific lines, an identification of all existent and proposed services for the elderly and handicapped was performed. With the federal program whereby private, non-profit corporations may receive up to 80% capital funding towards the purchase of equipment to provide transportation for the elderly and the handicapped, it is apparent that several new systems will be created within Los Angeles County. The District is aware of over 20 such applications for funding which propose some form of demand/response service within a local neighborhood. Systems are proposed to meet trunk lines of the District in areas which include East Los Angeles, South Central Los Angeles, Venice, Northeast Los Angeles, Pasadena the Eastern San Gabriel Valley, and several smaller communities, as well as the Model Cities Agency of the City of Los Angeles. The proposal will include small feeder systems in several areas including Beverly-Fairfax, Belmond and Pico-Union, Echo Park, Hollywood, Pacoima-Sun Valley, and North Hollywood. Several cities are either operating or in the process of designing accessible

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feeder systems to District routes: the City of Norwalk has one accessible vehicle for use in a demand/response service, the City of La Mirada operates a demand/response system throughout their boundaries.

The Orange County Transit District, an agency responsible for public transportation within Orange County, is in the process of implementing a special demand/response system for the elderly and physically handicapped within several smaller cities of this county. The City and County of Riverside which contracts local transportation service to the District, is proposing to purchase five vehicles for accessible local transportation. Several cities within all counties have some form of contractual agreement whereby a local taxi company is subsidized to provide a share-ride operation which is accessible.

Recognizing all of the secondary systems, every effort was made to provide line haul service within each area so easy connections are possible. Because of the accentuated peak periods, where some lines require greatly increased service, it was the decision to spread the accessible coaches as much as possible to maintain only the base period headways. If this was not done, and services on lines with peak saturation were to be 100 percent accessible, the result would be that fewer lines would have accessible coaches.

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Attachment V

A MARKETING DEMONSTRATION PROGRAM FOR THE DEPLOYMENT OF 200 FULL-SIZED ACCESSIBLE BUSES IN THE LOS ANGELES BASIN

The Southern California Rapid Transit District is seeking Federal demonstration funds for the marketing and evaluation of the experimental deployment of 200 full-sized accessible buses in a skeletal system of regular line service in the Los Angeles Basin.

Project Justification

The RTD's intent is to plan, execute and evaluate a comprehensive marketing effort which will effectively support the service provided by the accessible equipment, and will guide the RTD's efforts to refine and improve the experimental backbone system once it is in service.

The project, the first of its kind in the nation, should provide benchmark data that will not only be useful to the RTD, but will also be valuable to virtually every transit operator in the country as it works to meet the accessibility requirements of the Urban Mass Transportation Administration.

As U. S. bus manufacturers begin production of full-sized accessible equipment, it is essential to both the RTD and to UMTA to document the performance of the equipment and the transit agency to evaluate this innovative approach to providing accessible transportation to the elderly and the handicapped population This comprehensive analysis will help maximize not only the mutual investment made by the RTD and UMTA, but also the investments to be made by UMTA and all the transit agencies which embark on a similar project in the future to serve the elderly and the handicapped.

Project Scope

At the present time, the RTD operates 2,400 buses on 222 lines covering 2,200 square miles of Southern California. The RTD's Consultant on Elderly and Handicapped Affairs, and the Citizens' Advisory Committee on Accessible Transportation have concluded that the transportationally dysfunctional population (estimated at 350 000 persons) is spread throughout the general population. Therefore the 200 accessible buses, equipped with wheel chair lift and tie-down facilities, will be assigned to regular line service in a backbone system of routes servicing the trip generators of particular interest to the elderly and the handicapped, as well as the largest employment, educational, medical, shopping, transportation and recreation centers and community-based demand-responsive systems in the region.

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Funding

It is the District's hope that UMTA would fund 100 per cent of the project's costs as a demonstration program. In the event that UMTA would require a local share for the project from the RTD, it would be provided by the District in the form of in-kind services, estimated during the one-year demonstration to be $50,000. Based upon an 80 per cent contribution by UMTA, ($200,000), the budget for the entire marketing demonstration would total approximately $250,000.

A detailed proposal with complete budget estimates for each marketing task can be prepared for UMTA's consideration in January.

Work Schedule

The District will begin to formulate its promotional, training and user information programs in early 1977, and would begin to implement these programs prior to the delivery and deployment of the buses (now expected during the summer). Six months after deployment, a comprehensive evaluation program will begin, with a preliminary draft report completed in the ninth month of operation. The final report will be issued in the summer of 1978, 12 months after the implementation of the skeletal system.

Products and Use of Products

A published report will be produced to document the RTD's total marketing effort, including the planning, training, promotion and evaluation techniques employed, with an analysis of the particular marketing and operational problems --- and solutions --- which presented themselves during the 12-month demonstration. The report will include and identify all marketing and operational costs associated with the newly-designed equipment, and with the promotional and user information techniques required to reach the new market segment.

The data collected in the project evaluation will form the basis for all system refinements, future service development, and future market segmentation to help determine the most efficient medium and message to reach the new market targets.

The evaluation report will measure the effectiveness of the following marketing elements, all of which would be covered by the grant:

I. The operational goals established for the service.

II. The strategies adopted for promoting and implementing the service.

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III. The individual marketing programs devised in support of the service, including --

A. Marketing Research
B. Service Planning
C. Pricing
D. Training
E. User Information Systems
F. Advertising
G. Promotion
H. Operational and Marketing Evaluation

The published report will be made available to all transit properties for their use in providing accessible transportation to the elderly and the handicapped.

Summary

The scope of the project, and its impact on the RTD's standing commitment to serve the elderly and the handicapped with full-sized buses, merit UMTA's consideration for funding over and above the monies expected to be authorized by the Metropolitan Planning Organization in the Fiscal 1978 Unified Work Program.

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For Discussion Purposes 6-14-77

COST OF IMPLEMENTING THE ISSPTC POLICY
ON ELDERLY AND HANDICAPPED TRANSPORTATION

Basic Assumptions - State General Policy

- o Number of transit vehicles in CA in 1976 (doesn't include BARTD cars) = 6,200
- o Average Vehicle Life = 15 years
- o Short term fleet growth factor (based on recent historical data) = 10%
- o Additional cost of accessible new buses = $8,000 (per SCRTD experience)
- o Cost of Retrofitting existing bus = 10,000 (per SCCTD estimate)
- o Base service level = 50% of fleet (most smaller properties have no extra service peaks)
- o All costs are in 1976 dollars
- o These alternatives are not intended to fully satisfy the transportation needs of the handicapped. They are based upon the existing transportation service which does not totally meet the transportation needs of the handicapped.

I. Fully Accessible Fixed Route Service

*Interim Objective: By January 1, 1985, all vehicles at the base service frequency on a conventional fixed route shall be fully accessible.

The average age of existing vehicles is 10 years and most will have been replaced with new accessible buses by 1985. However, some transit districts do have lower average age buses. Therefore, (based on average age profiles), assume 500 buses will be retrofitted with lift devices.

- o Capital Costs

Retrofits: $\frac{500 \text{ buses}}{9 \text{ Years}} \times \$10{,}000 = \$\ 556{,}000/\text{yr to } 1985$

New: $\frac{6{,}200 - 500}{15} \times \$\ 8{,}000 \times 1.10 = \$3{,}344{,}000/\text{yr to } 1985$

TOTAL CAPITAL COSTS $3,900,000/yr to 1985

*Long Term Objectives: Access to every vehicle in a conventional fixed route system. The number of vehicles is based upon a long term fleet growth rate of 2%.

$\frac{8{,}500}{15} \times \$\ 8{,}000 \times 1.02 = \$4{,}624{,}000/\text{yr beyond } 1985$

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- **Operating Costs**

  Assumptions:

  Increased operating costs are due to additional maintenance of lift equipment and training of drivers. Faster loading of ambulatory due to better designed bus will compensate for delays in loading non-ambulatory passengers. Total operating costs will increase approximately 2% due to additional maintenance and training. This represents an increase of approximately 15% in maintenance costs.

  Operating cost per bus is $60,000/yr.

  6,200 buses x $60,000/yr. x 0.02 x 1.10 = $8,184,000/yr.

- **Total Costs for Fully Accessible Fixed Route Service**

	To 1985	Beyond 1985
Capital	$ 3,900,000	$ 4,624,000
Operating	8,184,000	8,184,000
Total	$12,084,000	$12,808,000

Say $12,500,000

II. **Some Specialized Service**

- **Assumptions**

  Even with accessible fixed route vehicles and existing specialized services, there will be some additional specialized services required to "feed" and supplement the fixed route service. This additional specialized service also provides a more complete coverage of the service area which will insure a realistic comparison with Alternate I. The overall level of service will be equivalent to that provided the general public.

  One special vehicle (van, small bus, etc.) for the handicapped to supply "feeder" and supplemental service will be required for every 40 fixed route vehicles. This figure was based upon the percentage of transit riders to total population.

  Number of special vehicles = $\frac{6,200}{40}$ = 155

  Vehicle operating cost is $50,000/yr.

  Vehicle capital cost is $15,000

  Average life of vehicle is 5 years

- **Capital Costs**

  $\frac{155 \text{ vehicles}}{5 \text{ yrs.}}$ x 1.10 x $15,000 = $511,500/yr.

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- o Operating Costs (Service Operated by Public Transit Operators)

  155 vehicles x $50,000/yr. x 1.10 = $8,525,000/yr.

  TOTAL = $9,036,500 say $9,000,000

- o Operating Costs (Service operated by private contractors and/or non-profit groups)

  Assume operating costs are ½ those of transit district Operations

  $8,525,000/2 = $4,262,500/yr. (TOTAL $4,774,000/yr.)

  Say $4,800,000

III. Total Costs to Implement ISSPTC Policy

Fully Accessible Fixed Route	$12,500,000/yr.
Specialized Service operated by Public Transit Operators	9,000,000/yr.
TOTAL	$21,500,000/yr.
Fully Accessible Fixed Route	$12,500,000/yr.
Specialized Service operated by private contractors and/or non-profit groups	$ 4,800,000/yr.
TOTAL	$17,300,000/yr.

ALTERNATIVE TO ISSPTC POLICY

- o Provide equivalent accessibility for the elderly and handicapped with a segregated specialized service (in addition to existing specialized service)
- o Assumptions:
  - . Provide one special vehicle (van, small bus, etc.) for every six existing buses. (Gray, DMT)
  - . $50,000/year operating cost
  - . $15,000 cost per vehicle
  - . Average life of van = 5 years

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c. Capital Costs

$\frac{\text{[illegible] trips x [illegible]}}{\text{[illegible] trips per special vehicle}}$ years x [illegible] x $[illegible] = $[illegible]/yr.

c. Operating Costs (Service Operated by Public Transit Operators)

$\frac{\text{[illegible] trips}}{\text{[illegible] trips per special vehicle}}$ x $[illegible] x [illegible] = $[illegible]/yr.

c. Operating Costs (Service operated by private contractors and/or non-profit groups)

$\frac{\$[illegible]}{2}$ = $[illegible]/yr.

Total Cost to provide equivalent accessibility for the elderly and handicapped with a segregated specialized service.

Service operated by Public Transit Operators	$[illegible]/yr. say $60,000,000
Service operated by Private Contractors and/or non-profit groups	$[illegible]/yr. say $31,700,000

CONCUR:

Dennis Cannon	Jesus Garcia	Hugh Griffin
Date	Date	Date

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SUMMARY: Cost of implementing the ISSPTC Policy on elderly and handicapped Transportation

The ISSPTC Policy contains a long term objective which requires all vehicles on a conventional fixed route to be fully accessible (equipped with wheelchair ramps or lifts). An interim objective is to have all vehicles at the base service frequenty on a conventional fixed route to be fully accessible by January 1, 1985. The cost of implementing this policy is approximately $12,500,000 per year.

In order to compare the ISSPTC Policy of fully accessible fixed route vehicles to an alternative which would provide equivalent accessibility with a segregated specialized service, some additional specialized service will be required to "feed" the fixed route service and serve those that cannot use the fixed route service. The overall level of service will be equivalent to that provided the general public. The cost of this additional service is approximately $9,000,000/yr. if the service is operated by public transit operators and $4,800,000/yr. if operated by private contractors and/or non-profit groups.

Therefore, the total cost of the ISSPTC alternative ranges from $17,300,000/yr. to $21,500,000/yr.

An alternative to fully accessible fixed route service is segregated, specialized service which provides equivalent accessibility for the elderly and handicapped. The cost for this service is estimated to range from $31,700,000/yr. to $60,000,000/yr.

The current cost of public transit service in California (per the TDA report for 1975-76) is $776,000,000/yr. The cost of implementing the ISSPTC Policy is 2-3% of this total.

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TRANSPORTATION POLICY

The elderly and handicapped[1] shall have the same rights as other persons to utilize public transportation facilities and services[2]. As a long-term objective, all systems shall be fully accessible. This will be achieved by (1) having access to every vehicle in a conventional fixed route[3] system, and (2) having access to vehicles in other specialized or supplemental systems[4] such that the requirements of "equivalent facilitation"[6] are met. The mix of specialized or supplemental services[7] to be provided is an appropriate local decision. The transition from existing services to accessible services shall begin immediately and be completed within the normal life span of vehicles which are purchased in 1977.

All transit vehicles purchased and bus bid packages requiring UMTA concurrence after February 15, 1977 for a conventional fixed route system and for the accessible portion of specialized or supplemental systems shall be fully accessible. In addition, all State and Federal planning requirements regarding the elderly and handicapped will be met by January 1, 1978[8].

As an interim objective by January 1, 1985, all vehicles at the base service frequency[5] on a conventional fixed route system shall be fully accessible This objective may be achieved either through the purchase of new vehicles or the retrofitting of existing vehicles or a combination of these actions. Specialized or supplemental systems, by January 1, 1985, must provide equal service based on "equivalent facilitation".

DEFINITIONS FOR THE PURPOSE OF THIS POLICY ONLY

1. "Elderly and Handicapped" persons means those individuals who, by reason of illness, injury, age, congenital malfunction or other permanent or temporary incapacity or disability, including those who are nonambulatory wheelchair-bound and those with semi-ambulatory capabilities are unable without special facilities or special planning or design to utilize mass transportation facilities and services as effectively as persons who are not so affected (Source: Section 609.3 of UMTA Rules and Regulations)

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2. Public transportation facilities and services means any transportation services funded by public monies to provide transportation to a general public.

3. "Fixed Route" refers to a route on which transit operates which remains the same from week to week, e.g., vehicles which operate over the same network of streets. Being a fixed route does not preclude the possibility of changing the route to meet changed demand patterns.

4. Specialized or supplemental systems can be described in terms of three types of services: hail or phone-taxi, dial-a-ride, jitney; prearranged ride sharing-car pool, subscription bus, route deviation; hire and drive-daily and short-term rental car.

5. "Base service frequency" means the times between bus arrivals which are common throughout the day. For example, if 30 minute headways are common throughout the day with 10 minute headways during the peak periods, the base service level would be 30 minutes.

6. "Equivalent Facilitation" is a concept used in California's architectural barriers law to determine when a building may be excused from full accessibility. Thus, all parts of a building need not be fully accessible if, in the portion that is usable by the handicapped, all facilities normally sought and used by the public are available such that "... it is clearly evident that equivalent facilitation ... is thereby secured." (Sec. 4451, Chap. 7, Div. 5 of Title 1 of the Govt. Code). An alternative service to full accessibility must pass the test for equivalent facilitation. (Source: Design Criteria for Transportation for the Disabled, Synergy)

TEST FOR EQUIVALENT FACILITATION

a. Equivalent origin/destination (purpose). The average able-bodied user of public transportation has a choice of destinations determined primarily by the matrix of the current transit system. In a reasonably extensive system, the user may choose equally between work, shopping, entertainment,

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visiting friends, etc. Demand-responsive modes which restrict options may not provide such equivalency.

b. Equivalent Trip-Decision Time. An equivalent alternative system must require no more advanced decision to travel than the average able-bodied user on the primary system. Thus, on a system with an average 20-minute headway, for example, the typical user need decide to travel a maximum of 20 minutes prior to departure plus travel time to point of entry to the system, and can decide to change destinations enroute.

c. Equivalent Travel Time. Average travel time between any two points should be no longer on an alternate system than it is on that used by the able-bodied population.

d. Equivalent Transfer Frequency. In a system in which, to get from any two points in the service area, one transfer is considered usual, two are considered acceptable, and three unacceptable, the same should be true of the alternate system.

e. Equivalent Service Range and Hours. Service for the handicapped must ultimately extend over the entire service area and operate during the same hours as for the able-bodied passengers.

f. Equivalent Fare. The fares charged on an alternative system, including transfer charges, must be no higher than those charged to the able-bodied using the primary system, reduced fare requirements notwithstanding.

7. "Mix of special and supplemental services" includes demand responsive service provided by a variety of vehicles including small buses, vans and taxicabs and special services which can include subscription bus service, prearranged service for special groups, etc.

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8. State and Federal Planning Requirements

   a. Regional Transportation Planning Guidelines revised December 1975 - State Transportation Board.

   b. Federal planning guidelines as outlined in Federal Register, April 30, 1976.

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SPECIALIZED SERVICES

Passenger Transport Articles

Agency	Accessible Vehicles	Same Service Area	Unrestricted Purpose	Same Hours	Same or Lower Fare	Same Response Time	Waiting List	Comments
Port Authority of Allegheny County	None	--	--	--	--	--	--	Study only, no wheelchair accessibility
Greater Cleveland Regional Transit Authority	4	No Only certain districts	No (work, school training center)	No 9 - 5	--	No 24-hr. notice	--	Reduced fare on regular buses
Lane Transit District (Oregon)	6	--	--	--	--	--	--	Soc. Serv. agencies, professionals; many-too-few
Central New York Regional Transportation Authority	4	No Urbanized area only	No Priority to medical	No one day only rotate	No .50	No 7-day notice	--	Meetings with soc. Serv. agencies;
Wichita Metropolitan Transit Authority	None	--	--	--	--	--	--	Reduced fare only
Southeastern Regional Transit Authority (New Bedford & Fall River, Massachusetts)	2 Retrofit	Yes	--	--	Yes	No 48-hr. notice	--	Mostly elderly Non-handicapped
Honolulu	None	--	--	--	--	--	--	Reduced Fare
Metropolitan Bus Authority (Hato Rey, Puerto Rico)	None	--	--	--	--	--	--	Reduced fare; needs study & demographics; Dial-a-Ride planned

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PAGE TWO

SPECIALIZED SERVICES

Passenger Transport Articles

Agency	Accessible Vehicles	Same Service Area	Unrestricted Purpose	Same Hours	Same or Lower Fare	Same Response Time	Waiting List	Comments
Metropolitan Atlanta Rapid Transit Authority	20 (planned) 8	Yes	--	Variable * Non-peak	No ($1.00)	No 24-hr. or more	--	Route deviation door-to-door; *fixed-route for elderly from housing complexes to shopping centers
Long Beach Public Transportation Company	6	Yes	Yes	No 8-5 weekdays	No (.50)	No 24-hr.	200	Contract with taxi company; serves approx. 500 people
Denver Regional Transit District	12	Yes	No	No 8-5 weekdays	Yes	No 1 week to 3 months	465	Serves 157 people (APTA Conference, May 1976)
Dallas Transit System	None	--	--	--	--	--	--	Route deviation to senior citizen housing complexes reduced fare; needs study
Tri-County Metropolitan Transportation District (Ore.)	15		No		No	No Sub-scription	--	Contracts with social service agencies; priority to client appointments
Orange County Transit District	3	No	Yes	No	Yes	No 24-hr.	--	--

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APPENDIX

COMMISSION
REAGAN HOUSTON CHAIRMAN
DEWITT C GREER
CHARLES E SIMONS

STATE DEPARTMENT OF HIGHWAYS
AND PUBLIC TRANSPORTATION
AUSTIN, TEXAS 78701

ENGINEER-DIRECTOR
B L DEBERRY

February 14, 1977

IN REPLY REFER TO
FILE NO

Mr. Henrik E. Stafseth
Executive Director
American Association of State Highway
and Transportation Officials
444 North Capitol Street, NW, Suite 225
Washington, D.C. 20001

Dear Mr. Stafseth:

We have been privileged to review a copy of proposed Senate Bill 208 by Senator Harrison Williams (New Jersey), entitled the National Mass Transportation Assistance Act of 1977. Generally, we find it to be a needed and worthy bill; however, we are concerned with the expanded requirements in Section 16 when compared to the language embodied in the existing law under Section 16.

Our Department is certainly supportive of the need to serve elderly and handicapped persons. We are working with public and private transportation providers to improve the accessibility of such persons to transportation in Texas. However, we believe that the language proposed by Section 16 of Senate Bill 208 is overreactive and it could be potentially harmful to both transit providers and the clientele they hope to serve.

Much of the explicit requirements suggested by Senate Bill 208, as regards elderly and handicapped services, has been substantially included in regulations previously promulgated through the Federal Register by the Urban Mass Transportation Administration, pursuant to present law (Urban Mass Transportation Act of 1964, as amended). Although such regulations have the full force and effect of law once they are published, they can be modified, cancelled or replaced by new regulations at any time that experience or the changing needs of society dictate such action. However, once these regulations are embodied in a statute, very little flexibility by UMTA can be permitted and it becomes infinitely more difficult to make any changes. In particular, we believe it to be improper to place statutory burdens on an industry so important to the future transportation needs of the Nation, particularly one which has only recently begun to appreciate some improvement in service and equipment.

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The language contained in existing law (Section 16), as regards the elderly and handicapped, is sufficiently comprehensive to ensure that every consideration be given such persons without requiring that transit systems adopt services that could be counter-productive. Although this is admittedly a sensitive and emotional subject, I would recommend that the American Association of State Highway and Transportation Officials take a strong position in this matter on behalf of public transportation, making known these views to the Secretary of Transportation and the appropriate Congressional committees.

I have sent a similar letter to the Executive Director of the American Public Transit Association.

Sincerely yours,

B. L. DeBerry
Engineer-Director

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THE COUNCIL FOR EXCEPTIONAL CHILDREN

February 23, 1977

The Honorable Harrison A. Williams, Jr.
Chairman
Senate Committee on Labor and
Public Welfare
Washington, D. C. 20510

Dear Senator:

As a staff person at The Council for Exceptional Children and a disabled consumer, I wish to comment on S. 208 as it relates to transportation for the elderly and the handicapped. The provisions of this Bill reflect a positive attitude towards the elderly and the handicapped which will encourage them to become contributing members of society through improved means of mobility. Therefore, this Bill is a step in the right direction.

However, I feel that the provisions for compliance with this Bill could be stronger. A timetable for the implementation of transportation services for the elderly and handicapped, especially accessible buses, would provide a structured schedule for municipalities and local advisory committees. This timetable hopefully would accelerate an increase in accessible transportation systems.

The Bill does not address the problem of non-compliance. A detailed plan of action to somehow sanction municipalities who refuse to comply would eliminate many of the cases which have been brought before the courts in recent years.

Thank you for the opportunity to comment on S. 208. I would be happy to be of further assistance.

Sincerely,

Michael Ward

Michael Ward, Project Associate
Vocational Education Policy Project

MW:ew

SENATOR N.J.
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COMMITTEE ON
LABOR AND PUBLIC WELFARE

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WAtkins 4-7230

EASTERN PARALYZED VETERANS ASSOCIATION

Testimony

To The

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Concerning

S. 208

"National Mass Transportation Assistance Act of 1977"

86-503 O - 77 - 36

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The Eastern Paralyzed Veterans Association would like to offer certain comments to this Committee as it deliberates S. 208, "The National Mass Transportation Assistance Act of 1977."

We applaud the $11.4 billion appropriation for Section 3 capital assistance through 1982. This level of funding will be necessary if access and use to regular fixed route mass transportation bus systems for the elderly and the handicapped, including the wheelchair confined, is to be acheived. To be frank, the Eastern Paralyzed Veterans Association believes that the technology is available now to enable local transit agencies to begin to purchase lift-equipped buses for regular fixed route systems. There must be a total committment to this goal. Local transit agencies will rarely take this action unless there is a Federal mandate to do so.

Eastern Paralyzed Veterans Associaiton supports fully Section 6 of S. 208 which would allow transportation assistance grants in "other than urbanized areas."

We would like to direct most of our remarks to Section 11 of S. 208, which would amend Section 16 of the UMT Act of 1964 concerning "Mass Transportation Facilities and Equipment To Meet The Needs Of Elderly And Handicapped Persons." Our association has had strong reservations about Section 16 provisions since they became law in the Urban Mass Transportation Assistance Act of 1970 (as amended in the Federal Aid Highway Act of 1973).

You should be aware that Section 16(b) has had one major, prevading achievement since its inception--it has perpetuated the segregation of the elderly and the handicapped in special trans-

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portation services. Prior to 1970, there were no public mass transportation systems and facilities for the elderly and the handicapped; at the present time, access to fixed rail and light rail future construction and substantial renovation is mandated, but UMTA has failed to carry out past Congressional mandates for access to urban buses by (1) allowing the purchase of wheelchair lift packages to be a local option; (2) by creating a completely new element of its own bureaucracy to administer bus demonstration programs (dial-a-ride or demand-responsive systems) which are irregularly funded, have limited hours of operation, and only partially fulfill the transportation needs of the handicapped; and (3) by abandoning the TRANSBUS program.

Eastern Paralyzed Veterans Association believes that demand-responsive systems have their place. In fact, we view demand-responsive systems as one possible solution to the transportation needs of the elderly and the handicapped in "other than urbanized areas." However, in urban areas where public mass transit exists, demand-responsive, door-to-door services are unnecessary, duplicative, financially wasteful, and--most importantly--continue to segregate the elderly and the handicapped from society's mainstream. The stigma of a disability or advancing age must not be allowed to continue preventing any individual from functioning fully in society.

As you consider S. 208, you have the opportunity to correct the mess that UMTA has created concerning access to urban buses by the elderly and handicapped. It is for this reason that we ask that you give serious consideration to the following change

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in S. 208, Section 11:

> "Sec. 16(b)(2). The Secretary shall require that mobility for elderly and handicapped persons is available in each urbanized area requesting a grant or loan under this act. The Secretary shall determine that this requirement is being met if the applicant demonstrates detailed plans for meeting this requirement by the provision of a wheelchair accessible regular fixed route system within a reasonable time period. In order to assure such effective mobility, the Secretary shall prescribe the use of all or such portion of such grants or loans as are necessary to be utilized for the purchase of wheelchair accessible buses."

The above change would assure a Congressional mandate for future accessibility to bus transportation in urban areas for the elderly and the handicapped.

Eastern Paralyzed Veterans Association recommends passage of Sec. 16 (f)(1) and (2), establishing local advisory committees, and public hearings on proposed services for the elderly and the handicapped. We believe that there must be a Federal mandate for access to all existing and future regular fixed route transportation modes in urban areas, including buses. An advisory committee and public hearings on the local level would insure that the most urgent needs in public transit for the elderly and handicapped in a given community would receive priority action.

Eastern Paralyzed Veterans Association would also like to express its firm opposition to the establishment of a National Advisory Council on Mass Transportation for Elderly and Handicapped.

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We view the creation of such a group as a wasteful duplication. Public Law 93-516 created a Consumer Advisory Panel to the Architectural and Transportation Barriers Compliance Board. Whatever duties are proposed for a National Advisory Council on Mass Transportation for Elderly and Handicapped could surely be carried out by the Consumer Advisory Panel of the A&TBCB. Elderly and handicapped in this country do not need to be "studied" any longer; nor, do we need an additional duplicative bureaucratic council to deal with. Instead, Federal dollars must be spent on capital assistance for regular fixed route equipment and facilities which can be utilized by <u>all</u> citizens, including the wheelchair-confined.

In conclusion, we would like to ask the Committee to ponder for a moment a situation which UMTA fostered and developed over the past seven years--a situation which the Eastern Paralyzed Veterans Association believes to be unconscionable in that it emanates from an agency of our own government. In the last seven years, UMTA has taken a Congressionally mandated national policy to integrate the elderly and handicapped into public transportation systems, and totally subverted this mandate by advocating <u>segregated</u> special transportation systems for the elderly and handicapped. Was this the intent of Public Laws 91-543, 93-87, 93-503 and 93-643? The legislative history of these laws answers "no" emphatically.

Segregating elderly and handicapped in special transportation systems only serves to reinforce negative attitudes among the general population as to what the elderly and handicapped can and cannot

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do. The one cause for the existence of special transprotation services for the elderly and the handicapped is the inaccessible condition of public transportation modes. If regular fixed route transportation barriers are removed, then and only then can elderly and handicapped participate totally in society, and begin to change and reshape the many ill-conceived attitudes the general population maintains about them.

Additionally, billions of dollars per year are spent by such Federal agencies as VA, HEW, etc. for the purpose of rehabilitating disabled individuals. The purpose of rehabilitation is to integrate the handicapped person back into society. Yet, this country allows the billions spent annually on integrating the handicapped individual back into society to be wasted since this society continues to segregate this person in public transportation. Apart from the obvious human rights discrimination inherent in this condition, it simply is illogical in terms of the nature of rehabilitation.

If the committee acts on the changes to S. 208 that the Eastern Paralyzed Veterans Association has recommended, this situation can be turned around. The elderly and the handicapped in this country want and have a right to travel on public transit system buses and other vehicles with their fellow citizens. In our judgment, this is the only humane course of action that Congress should take.

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Anthony C. Maidenberg / Mayor

January 24, 1977

The Honorable Harrison A. Williams, Jr.
United States Senate
Washington, D. C. 20510

Dear Senator Williams:

I was pleased to learn recently that you have introduced legislation to provide an additional $11.4 billion for our country's public transit system. I shall closely follow the progress of the National Mass Transportation Assistance Act of 1977.

Our City of Marion, Indiana (population 43,000) is in the process of filing an application for a capital grant under Section Three of the Urban Mass Transportation Act of 1974, as amended. While the Section Three grant has the potential of greatly assisting Marion in providing the help we need for our capital purchases, there are no federal operating subsidies to cities under 50,000 available at this time.

I would greatly appreciate your considering the plight of municipalities which are eligible for capital assistance but are not eligible for operating assistance. It seems to me that if it is a worthwhile national goal to help cities develop transit systems (and I believe it is worthwhile!), then I would submit that it would likewise follow that assistance should be made available to maintain and to help operate the same transit system.

Thank you for your consideration.

Sincerely yours,

Anthony C. Maidenberg

Anthony C. Maidenberg
Mayor of Marion

ACM:dl

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ST. LOUIS, MO

City of Marion, Indiana
City Hall / Marion, Indiana 46952 / (317)662-9931

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STATE OF NEW JERSEY
DEPARTMENT OF TRANSPORTATION
1035 PARKWAY AVENUE
TRENTON, N.J. 08625

ALAN SAGNER
COMMISSIONER

March 14, 1977

Dear Senator Williams:

The following comments on your bill S.208, the proposed National Mass Transportation Assistance Act of 1977, are submitted for inclusion in the official record of hearings held on February 23-25 by the Housing and Urban Affairs Subcommittee of the Senate Banking, Housing and Urban Affairs Committee. In general, the State of New Jersey urges swift Congressional approval of this important bill. Comments and suggested amendments are provided below with respect to specific sections of S.208.

Section 3

Federal financial support for the improvement of capital facilities have greatly assisted in the early phases of implementing New Jersey's master plan for public transportation system improvements. Equipment replacement programs, for example, have provided much needed relief to a transportation system afflicted by an absence of capital investment and deteriorated from deferred maintenance. Most recently, UMTA has reserved $400 million in capital funds for three rail projects vital to the State's efforts to rebuild and improve long neglected fixed rail facilities.

I wholeheartedly support the concept that more funds are needed for public transportation capital improvements before FY 1980 beyond those committed by the previous federal administration. Yet n reserving $400 million in capital funds for New Jersey projects, former Secretary Coleman had advised us that the State has exhausted its UMT Act Section 3 funding from existing authorizations In New Jersey much more can be done to reap the benefits in efficient energy utilization and land use, preserved env ronment and reduced traffic congestion which expanded and revitalized mass transit can provide The State has a list of long-awaited public transportation improvements which should be ready for funding before FY 1980: the first stage of the Direct Rail Access Project (connecting e ectrified routes of the former Erie-Lackawanna Railway to mid-town New York City,) extensions of the highly successful PATCO service in Southern New Jersey, and the purchase of additional buses to continue the reduction of the average of the State's fleet. Further, the New Jersey Department of Transportation is conducting technical studies on numerous other transit projects, including line haul improvements in the Jersey City-Bayonne Corridor and the Eastern Bergen County (West Shore) Corridor. To plan the implementation of these projects rationa ly long-term funding commitments from UMTA are needed. I am confident that the Senate and the Administration will soon work out a program to accomplish this.

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Section 4

I am well aware of the need to have a reliable source of funding for bus replacement. New Jersey's bus network carries in excess of one million passengers on an average weekday. The State has recently benefited from the addition of 866 buses financed by UMTA. These buses have replaced our most aged equipment. However, the size of our fleet is such that there will be an ongoing need to replace hundreds of buses each year to maintain the average age at a reasonable level. The New Jersey Department of Transportation has an immediate need for 800 more buses, so as to reduce the average age of our fleet from 12 years to a more acceptable 9 years. Therefore, I support the idea of ded cat ng $500 mi lion of capital assistance funds annually to encourage the accomplishment of this purpose, but I also suggest that these funds should be distributed at first on a discretionary basis to bring average fleet age for each svste m to a maximum acceptable level. Following the achievement of this goal, I would suggest that these funds be distributed on a formula basis, so that operators can be assured of a stable flow of new equipment.

Section 5

It is widely recognized that the Section 5 formula grant program at this time provides insufficient funds to cover a reasonable share of the operating deficits in heavily urbanized areas with extensive multi-modal transit networks. The establishment of a discretionary $250 million annual fund for operating expenses may reduce the ikelihood that the State will be forced to resort to excessive fare increases or service reductions, both of which tend to reduce ridership levels. It is important that the Secretary not be constrained by a formula when he is faced with assuring the integrity of transit networks which are so essential to the economic well-being of our largest urban areas.

Section 11

I have long applauded your support of the elderly and handicapped, and this Section provides further evidence of your commitment in this area. There is a definite need to make new rail transit fac ities accessible to this segment of our population. While costs would make it prohibitive to undo the mistakes of the past and retrofit existing facilities, it is important that we begin now to provide the elderly and the handicapped with a chance to share future, more advanced transit systems with their fellow citizens.

I support the option contained in this Section providing for substitute service which affords the same coverage and service levels of the existing fixed route system. Vans made availab e under Section 6 of the present UMT Act have been well received by elderly and handicapped groups. Some 88 vans have been distributed in our State under this program. Access to a f xed route system can be so difficult, particularly for the severely handicapped, that substitute service may be the only effective means of transportation.

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I agree further that it is necessary to set aside research funds to improve the information and technology available for transportation for the elderly and handicapped. UMTA has suggested that "special efforts" be made for this group as a condition for obtaining project approval. In order to assure that such efforts in the State are made with intelligence and sensitivity, additional research in this area, sponsored by the federal government, would help achieve this.

Section 6

Despite New Jersey's image as a vast megalopolis, a sizable portion of its population lives in non-urbanized areas. It is noteworthy that the existing federal law acknowledges the fact that people in rural areas also need an alternative to the automobile S.208 would meet these needs in that it would provide rural areas with the same option accorded urban areas; that is, the use of UMTA funds to cover operating deficits. Transit operations in rural areas do not tend to require sophisticated capital equipment; adequate support of such systems, therefore, must involve a commitment to provide subsidies for operating expenses.

In addition to the worthy ends served by the above-noted provisions, I would suggest amendments to S.208 in three specific areas:

1. Deferred Maintenance

New Jersey is currently applying for assistance under Section 17 of the UMT Act, as amended, to begin correcting the problem of deferred maintenance on rolling stock, track and commuter rail stations. These funds will begin to make a dent in brining our long neglected rail lines back to the high level at which they were maintained before the recent era of widespread railroad bankruptcies. However, Section 17 funding expires at the end of FY 1978 and it is my belief that decades of neglect cannot be corrected in two years. Through its decision to fund the improvement of trackage on main rail freight routes, Congress expressed its intent that shippers should not have to pay the cost of years of deferred maintenance. Similarly, I feel that today's commuter rail passenger should not have to bear these costs in his monthly commutation ticket.

To this end, I would suggest that the authorization in Section 4 of S.208 be expanded to include funds earmarked to correct deferred maintenance on commuter rail lines. The amelioration of this problem will be an ongoing process for the foreseeable future, not unlike the replacement of bus fleets. As an alternative to increasing Section 4 authorizations, it may be possible to add a category for deferred maintenance as projects eligible for the $250 million discretionary fund in Section 5. No new authorizations would be needed for this alternative.

A final alternative method of covering this expense would involve the continuation of Section 17 itself for the next five years, with an increasing percentage of local share. These funds could be used to cover operating deficits as well as deferred maintenance.

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Moreover, UMTA has adopted the position that the determination of the federal share (100%, 90% or 50%) of a program to correct deferred maintenance shall be linked to the date on which the deferred maintenance work is performed. Because of widespread complaints against this policy, due to the limited time available to take advantage of high federal financial participation, UMTA has submitted this issue for review by the General Accounting Office. Were the General Accounting Office to concur in UMTA's position, I urge you to support an amendment to Section 17 that links the federal share to the date on which the grant contract for deferred maintenance is executed.

2. Environmental, Health and Safety Requirements

We are all quite familiar with the environmental, health and safety advantages of mass transit. Despite the fact that the negative environmental, health and safety impacts of public transportation operations and improvements are usually of less magnitude than the impact of highway projects, trans t must nevertheless conform to the terms of federal legislation and executive orders. Such projects have been or are potentially subject to the Clean Air Act, the Federal Water Pollution Control Act, the National Environmental Policy Act, the Coastal Zone Management Act, the Fish and Wildlife Coordination Act, the Archaeological and Paleontological Salvage Act, Coast Guard regulations and Executive Order #11,593 relating to the Protection and Enhancement of the Cultural Environment. This is by no means an exhaustive list.

In the environmental area alone, the New Jersey Department of Transportation has completed and/or will soon be undertaking in excess of $14 million of mandated improvements to the public transportation system of the State to correct air and water pollution problems. For example, the cost of mandated air and water pollution control equipment at the Hoboken Terminal of the former Erie-Lackawanna Railway will be approximately $1.5 million. Currently, there is no federal funding source to cover the cost of such projects. In contrast to this situation the federal government does contribute to the cost of correcting some environmental problems caused by highways. In the area of noise pollution abatement the Federal Highway Administration provides for the funding of an abatement project in the same ratio as the original financing of the road in question, e.g., 90/10 for an Interstate Highway.

Therefore, I propose that a mechanism be established to cover part of the costs incurred as a result of environmental, safety or health directives. This could be done in a manner similar to that which I suggested for deferred railroad maintenance; that is, expansion of S.208's Section 4 authorizations, or by adding a new category for eligibility under the $250 million discretionary fund in Section 5.

3. Metropolitan Planning Organizations

Any projects funded under Section 5 of the UMT Act, as amended, must be coordinated with a "continuing, cooperative, and comprehensive planning process" in the appropriate urbanized area. Thus, the Metropolitan Planning Organization in each of New Jersey's six urbanized areas must

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approve the allocation of Section 5 operating assistance. This has led to difficulties in that the Commuter Operating Agency of the New Jersey Department of Transportation, the agency with the prime state-wide statutory responsibility for supporting and planning public transportation services, does not have final control over the allocation of operating assistance funds within the urban areas under its jurisdiction. If an effective and consistent statewide mass transit planning and support program is to flourish, the Commuter Operating Agency must be able to weigh the demands of county and local governments or public authorities in the context of overall statewide planning goals and allocate such assistance within urbanized areas. This was the intended goal of the sentence in Section 5(h)(2) which directs that agencies such as the Commuter Operating Agency be accorded the status of "designated recipient." The subsequent UMTA regulations conferred upon the MPOs the responsibility for deciding upon the allocation of Section 5 assistance.

To reverse this, I would suggest an amendment to Section 5 of the UMT Act, as amended, to exempt agencies such as the Commuter Operating Agency from clearing its Section 5 allocations within urban areas with the Metropolitan Planning Organizations.

I believe that our proposed amendments to S.208 will enhance New Jersey's ability to meet public transportation needs through FY 1982. We strongly support your efforts in moving this bill and urge the Congress to act swiftly and affirmatively.

Sincerely,

Alan Sagner
Commissioner of Transportation

AS/ml

Honorable Harrison Williams
352 Old Senate Office Building
Washington, D.C. 20036

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TESTIMONY OF SENATOR JOHN D. CAEMMERER, CHAIRMAN
NEW YORK STATE STANDING AND SELECT SENATE COMMITTEES ON TRANSPORTATION
ON THE NATIONAL MASS TRANSPORTATION ASSISTANCE ACT OF 1977 (S. 208)
BEFORE THE BANKING, HOUSING, AND URBAN AFFAIRS COMMITTEE'S
SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS
February 25, 1977

The National Mass Transportation Assistance Act of 1977 (S. 208) represents a substantial improvement over the current Section 5 provisions of the Urban Mass Transportation Assistance Act of 1964 as amended. Our Committees fully recognize the difficulty of developing legislation tailored to the specific needs of each of the fifty states and their political subdivisions.

We are most pleased that S. 208 increases the authorization for federal financial assistance in the period ending on September 30, 1982, makes nonurbanized areas eligible for Section 5 operating assistance, authorizes grants for training programs, establishes a national policy that "elderly and handicapped persons have the same right as other persons to utilize mass transportation facilities and services," contains a loan forgiveness provision, and provides for biennial congressional review of the "urban mass transportation program."

Our Committee is in complete agreement with Senator Harrison A. Williams' statement in the Congressional Record of January 12, 1977 (p. S 564) that "many of our largest cities, which have made the most important local and state transit commitments are desperately in need for further federal assistance to prevent service cutbacks, fare increases, and the loss of passengers. Section 5 of S. 208 will assist these large cities by setting aside $250,000,000 annually to help finance their public transportation systems.

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While we are in agreement with the objective of Section 5 of S. 208, we believe Section 5 of the Urban Mass Transportation Assistance Act of 1964 should be amended to add a new formula for rail systems based 50 percent on population density and 50 percent on ridership and revenue vehicle miles. The formula for other public transportation systems would remain unchanged under our proposal.

There is a two-fold reason for our recommendation of a new formula for rail systems. First, rail transit operators are saddled with considerably higher capital costs than bus operators. The cost of constructing and equipping a new rail transit system is many times the cost of equipping a new bus system. These higher capital costs for a rail system translate into higher maintenance expenses, which are an operating cost. Second, the rail transit operator is responsible totally for the maintenance of the rail system in contrast with the bus operator whose vehicles operate over publicly maintained streets and highways.

We also urge you to give serious consideration to amending Section 5 of the Urban Mass Transportation Assistance Act of 1964 as amended to provide that Section 5 monies may be used for operating assistance at an up to 80 percent federal share to establish parity between federal operating assistance and federal capital assistance for public transportation.

To be eligible for federal grants, a transit operator may not charge elderly and handicapped persons more than one-half of the regular fare. This federal requirement has resulted in a substantial revenue loss for many transit operators. For example, the Metropolitan Transportation Authority in the New York City area carries approximately 90 million elderly and handicapped persons annually. Consequently, we believe that this commendable federal requirement is justification for an amendment to

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Section 5 to provide that Section 5 funds may be used for operating assistance at an up to 80 percent federal share.

Our Committees also are convinced that the Urban Mass Transportation Assistance Act of 1964 should be amended to add an incentive to public transit operators to expand service. The incentive might take the form of authorization of federal funds to finance 90 percent of the capital cost of extending public transportation systems and providing special facilities for the elderly and the handicapped.

Finally, we respectfully request that you give serious consideration to increasing the Section 5 authorization in S. 208 because of the current great need for additional funds for operating assistance and the need to factor cost inflation into the Urban Mass Transportation Assistance Act of 1964 as amended. Section 5 authorization of $2,475,000,000 for the period ending on September 30,1982 is most helpful, but is insufficient for the Nation in view of the fact that the operating deficits of one State - New York State - are projected to total $1.4 billion by 1980. It should be noted that the Metropolitan Transportation Authority alone carries 6 million passengers every weekday and accounts for over 30 percent of all mass transit passengers nationwide. An increase in Section 5 authorization would be particularly helpful to the Port Authority of New York and New Jersey and its plans for service extension, including the Plainfield line and the Kennedy International Airport link.

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THE SENATE
STATE OF NEW YORK
ALBANY 12247

JOHN D CAEMMERER
37TH DISTRICT
CHAIRMAN
COMMITTEE ON TRANSPORTATION

DISTRICT OFFICE
[illegible]

February 8, 1977

Honorable Harrison A. Williams, Jr.
United States Senate
New Senate Office Building
Washington, D.C.

Dear Senator Williams:

We have examined carefully your "National Mass Transportation Assistance Act of 1977" (S. 208) and compliment you on your national leadership in the area of public transportation. Our Committee fully recognizes the difficulty of developing legislation tailored to the specific needs of each of the fifty states and their political subdivisions.

I am most pleased that your bill increases the authorization for federal financial assistance in the period ending on September 30, 1982, makes non-urbanized areas eligible for Section 5 operating assistance, authorizes grants for training programs, establishes a national policy that the "elderly and handicapped persons have the same right as other persons to utilize mass transportation facilities and services," contains a loan forgiveness provision, and provides for biennial congressional review of the "urban mass transportation program."

You correctly pointed out in the Congressional Record of January 12, 1977 (p. S 564) that "many of our largest cities, which have made the most important local and state transit commitments are desperately in need for further federal assistance to prevent service cutbacks, fare increases, and the loss of passengers." Section 5 of your bill will assist these large cities by setting aside $250,000,000 annually to help finance their public transportation systems.

While we are in agreement with the objective of Section 5 of your bill, we believe it would be preferable to amend Section 5 of the Urban Mass Transportation Assistance Act of 1964 as amended to add a new formula for rail systems based 50 per cent on population density and 50 per cent on ridership and revenue vehicle miles. The formula for other public transportation systems would remain unchanged under our proposal.

We also urge you to give serious consideration to amending Section 5 of the Urban Mass Transportation Assistance Act of 1964 as amended to provide that Section 5 monies may be used for operating assistance at an up to 80 per cent federal share to establish parity between federal operating assistance and federal capital assistance for public transportation.

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Our Committee also is convinced that the Urban Mass Transportation Assistance Act of 1964 should be amended to add an incentive to public transit operators to expand service. The incentive might take the form of authorization of federal funds to finance 90 per cent of the capital cost of extending public transportation systems and providing special facilities for the elderly and the handicapped.

Finally, we respectfully request that you give serious consideration to increasing the Section 5 authorization in your bill because of the current great need for additional funds for operating assistance and the need to factor cost inflation into the Urban Mass Transportation Assistance Act of 1964 as amended. Section 5 authorization of $2,475,000,000 for the period ending on September 30, 1982 is most helpful, but is insufficient for the Nation in view of the fact that the operating deficits of one State--New York State--are projected to total $1.4 billion by 1980. An increase in Section 5 authorization would be particularly helpful to the Port Authority of New York and New Jersey and its plans for service extension, including the Plainfield line and the Kennedy International Airport link.

Thank you for your consideration of our requests.

Sincerely,

JOHN D. CAEMMERER
State Senator

JDC/Zmb
c.c. - William J. Ronan
Ray T. Schuler

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Testimony of

Raymond T. Schuler, Commissioner

New York State Department of Transportation

We appreciate the opportunity to submit testimony on the provisions of Senate Bill 208, which amends the Urban Mass Transportation Act of 1964.

In introducing his amendments to the 1964 Act, Senator Harrison Williams emphasized the importance of that act, while at the same time urging certain revisions. Senator Williams said,

> "Federal assistance to mass transit has provided the resources to invigorate the quality and quantity of public transportation by making possible the replacement of obsolete equipment, the rehabilitation of fixed facilities, the construction of new modern lines, and the continued improvement of services.
>
> In order to continue this trend of increasing transit improvements and urban benefits and in order to prevent an interruption in the funding of major transit projects, revisions to the Urban Mass Transportation Act are vitally needed."

We in New York State, and indeed in the entire northeast region are particularly aware of the importance to our economy of efficient and reliable transportation of goods and people. The level and conditions for Federal aid in the financing of public transportation services will affect the people of every major community in our State which are served by our 23 publicly-owned and 110 privately-operated transit systems.

While we agree with many of the basic provisions of Senator Williams' bill, we feel that the emphasis of the proposed program is misdirected and will not resolve many of the problems which have been identified in the administration of the present law, nor eliminate the serious inequity in the method of apportionment of the appropriated funds. This testimony addresses several important areas that we feel should be incorporated in the 1977 amendment of the Urban Mass Transportation Act. The public

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transportation problems of the northeast differ from those of most other areas of the country. Much of our public transportation infrastrucuture is in place. Therefore, as was pointed out in the consensus paper on Transportation prepared by the Coalition of Northeast Governors, (See Attachment A) "The emphasis in transit in the region must be on redevelopment and restoration ...."

It no longer makes sense to attempt to fund transit programs based on a uniform national need. Needs differ according to urban or rural characteristics of an area, according to the age of a particular system and most definitely according to the usage of a system. While some cities are just in the process of planning or constructing major transit systems and require large amounts of Federal aid to finance capital construction, other cities have already made their major capital investments on their own without Federal aid, and their need is to finance the rehabilitation, maintenance and operation of these existing systems at a fare that will encourage ridership. Those cities now planning for their transit systems and in need of capital assistance will soon be operating those systems and require operating aid.

The objective of the Federal UMTA program should be to provide efficient and economical transit service where such service is most appropriate - either through capital investment or through operating assistance. Each city should be given the option of utilizing available Federal aid for an optimum mix of capital improvements and for the maintenance and operation of their existing facilities.

It is for these reasons that we urge that the major portion of any

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increase in funding be allocated to the Section 5 Formula Grant Program rather than to the Section 3 capital program, as provided in S. 208. Section 5 provides a flexibility for assistance in either capital or operating assistance programs. We therefore recommend that Federal funds available under Section 5 be increased by at least $1.7 billion annually. Such increases could be utilized by each area through its local planning process in accord with its own perceived needs and priorities - not those of the Federal bureaucracy.

In addition to increasing the amount of funds available under Section 5, we recommend that the formula used to allocated funds under this section be revised to include system usage factors. The present formula, based on demographic characteristics of urban areas, does not reflect each city's need for transit service based on ridership. For example, in urban areas of over 1 million population, New York is currently subsidized about 3 cents per rider, while Los Angeles gets 20 cents per rider and San Jose, California gets 59 cents. Attachment B, excerpted from UMTA's November 1976 report, "Transit Operating Performance and the Impact of the Section 5 Program," further details the wide differences in allocations within urban areas having the same population and between urban areas of differing populations. The result of this inequitable apportionment is that auto-oriented cities have a hard time spending the transit funds made available to them and transit oriented cities can't get enough.

The same 1976 UMTA report shows conclusively that funds for approved projects in lesser populated areas simply aren't being used. For example, 173 urban areas with population of from 50,000 to 200,000 used only 23

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percent of their available capital and operating funds as of the end of FY 76. Compare this to 25 urban areas with population of over 1 million that used 83 percent of their available funds for the same period. Attachment C, taken from the report, illustrates the disparity of use of available Section 5 funds by the large transit-oriented cities which urgently need the funds and the other cities for which the need is not so urgent.

To save harmless all of the presently apportioned funds under Section 5 we propose that these funds be continued under the current formula, but that any increase in authorization be distributed on the basis of actual usage of the transit system. However, any increase in Section 5 authorizations should be distributed on the basis of some easily collected and auditable statistic which reflects the actual usage of the system. Such a formula might be based on fare box revenues collected by the designated recipients in each urbanized area the previous year as a percentage of all such revenues collected nationally. The information on which such a revised distribution could be based is readily available from mandated financial reports filed with UMTA by the designated recipients.

By expanding the Formula Grant Program under Section 5, most of the routine capital as well as operating assistance requirements can be met. Section 3 Capital Grant Programs can then be restricted to providing capital only for major extensions of existing systems or the construction of a new system. The current level of $1.25 billion per year would be adequate to meet this restricted use.

The additional aggregate amounts proposed for financing the expanded Section 5 Program and to continue the current Capital Grant Program

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through 1982 total $12.425 billion, only slightly higher than the $11.427 billion increase proposed by Senator Williams in S. 208. But the result of an expanded Section 5 program would be to give the urbanized areas maximum flexibility in using Federal aid where it is most needed.

In addition to what we consider an inadequate level and distribution of funding, New York State is also concerned about UMTA's interpretation of Section 5(f) of the law which deals with the so-called "maintenance of effort" provisions. This section specifies that Federal grants received for operating assistance projects "shall be supplementary to and not in substitution for the average amount of state and local government funds and other transit revenues such as advertising, concessions and property leases, expended on the operation of mass transportation service in the area involved for the two fiscal years preceding the fiscal year for which funds are made available."

UMTA has interpreted this to mean that local and state payments to transit operators for the current year be equal or more than the average level of payments over the previous two years. This requires a constantly increasing operating deficit in order to qualify for a Federal operating assistance grant. Normally, in periods of inflation there would be no problem in meeting such a requirement. But these are times of fiscal austerity when maximum efforts are being made by state agencies to maintain services at reduced costs, which hopefully will result in decreased operating deficits. If the deficits are reduced, less state and local assistance to the transit operators should be required. The result - a violation of UMTA's maintenance of effort requirement and loss of all Federal funding for payment of operating assistance.

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We propose, therefore, that this Catch 22 situation be eliminated by repeal of Subsection 5(f) of the UMTA law. If repeal is not feasible, then we propose modification of the section that would limit the loss in Federal funds to the percentage of decline in the local-state payment, rather than loss of all funds.

One other area that we believe deserves incorporation in the Urban Mass Transportation Law is a definition of capital programs. Since the initiation of the Capital Grant Program in 1964, UMTA has been administering the program with only a very loose definition of the types of projects which would qualify as capital improvements. It is now becoming increasingly important to better define the boundary between improvements which must be considered heavy maintenance and those considered capital improvements. While clearly installation of new light bulbs constitutes maintenance, shouldn't replacement of ties and rail which will have a useful life of many years qualify as a capital improvement? In New York State with our State financial programs, we have faced this problem and recently agreed on a 5-year and $15,000 value as the definition of capital projects.

In summary, I have recommended four areas for amendment to the UMTA law:

1. Allocation of the major portion of increased funding to the Formula Grant Program, rather than to the Capital Grant Program.

2. Distribution of funds under Section 5 to include transit system usage, as well as demographic characteristics of urban areas.

3. Repeal or modification of the maintenance of effort requirements of the UMTA law.

4. A definition of capital programs to be included in the law.

We are hopeful that this session of the Congress will act expeditiously to achieve these very important goals.

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TRANSPORTATION IN THE NORTHEAST
CRITICAL ISSUES

the
Coalition of Northeastern Governors

SARATOGA CONFERENCE, SARATOGA, NEW YORK, NOVEMBER 13-14, 1976

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ATTACHMENT A

Excerpt from the Coalition of Northeast Governors' Transportation Panel: Public Transportation

Much of the public transportation infrastructure of the northeast is in place. The emphasis in transit in the region must be on redevelopment and restoration to accompany parallel programs in other functional areas which are designed to reestablish the region as the nation's industrial and commercial heart. In urban areas, nontransportation programs mus be directed toward redevelopment around the existing ransit corridors and facilities which, in turn, require modernization and improvement. To help coordinate the intelligent reordering of urban transit the Panel recommends the merger of the Federal Highway Administration's Federal-aid Urban System program with the Urban Mass Transportation Administration's transit program. A single resource available directly to urbanized areas would reduce red tape, eliminate duplication and prevent contradictions and inconsistencies. The merging of highway and transit Federal funds into a single fund could eliminate many of the problems of existing Federal urban transportation assistance.

Public transportation is an issue of concern to rural areas as well as to the region s urban centers. The mobility needs of the rural dweller, particularly the old the very young, and the handicapped are growing faster than available programs are able to respond. The Panel recommends an extended program of Federal study and demonstration to develop solutions to the rural mobility problems..

The only reason for national programs is to solve national problems. There is a national need for a transit program which, unfortunately, is not met by existing programs.

The Panel specifically recommends that the formula to allocate funds from Section 5 of the Urban Mass Transportation Act the Grant Program, be amended to include system usage factors The funds available for distribution under this Section should be expanded by $1.7 billion annually to accommodate the change in the distribution formula. Not only would this provision hold other states harmless, but it would provide the funds needed to suppor transit maintenance and rehabilitation costs. The assignment of the increment in Section 5 funding could be mandated in an amended Urban Mass Transportation Act.

Section 5(f) of the Act, which relates to the "Maintenance of Effort" should be amended to modify the present penalty that if non-Federal operating assistance payments fall below the average of the two previous years all Federal assistance is los The amendment should limit the loss in Federal funds to the amount of decline in the local/state payment.

In the event there are unused Formula Grant funds which lapse, they should be earmarked for distribution by the Secretary of Transportation to fund half fares or less for elderly and handicapped riders.

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ATTACHMENT B

Urban Area	Population	FY 75 and 76 Allocations ¢ Rev. Riders
New York	Over 1 million	.03 cents
Chicago	"	.05
San Francisco	"	.05
Pittsburgh	"	.05
Boston	"	.06
Philadelphia	"	.06
Los Angeles	"	.20
San Jose	"	.59
New Orleans	500,000-1 million	.06
Oklahoma City	"	1.11
Richmond, Va.	200,000--500,000	.06
Youngstown	"	.96
Lynchburg, Va.	50,000-200,000	.07
Melbourne, Fla.	"	3.99

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ATTACHMENT C

TABLE 2

SELECTED CHARACTERISTICS OF SECTION 5 ASSISTANCE

Urbanized Area Population	Number with Approved Program of Projects	Number with Approved Projects	FY75 & FY76 Allocations (millions)	Approved Projects (millions) Operating	Capital
25 Urbanized Areas of over 1,000,000 population	24 (96%)	24 (96%)	$515	$407[a] (79%)	$21 (4%)
22 Urbanized Areas of 500,000 to 1,000,000 population	21 (95%)	20 (91%)	89	47 (53%)	5 (6%)
59 Urbanized Areas of 200,000 to 500,000 population	49 (83%)	41 (69%)	100	32 (32%)	4 (4%)
173 Urbanized Areas of 50,000 to 200,000 population	104 (60%)	60 (35%)	96	18 (19%)	4 (4%)
TOTAL 279 Urbanized Areas	197 (71%)	145 (52%)	$800	$507 (63%)	$34 (4%)

[a] Not including some project approval funding which draws on FY77 allocations.

See Table A in the Appendix for similar information on the sample urbanized areas.

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PHOENIX TRANSIT SYSTEM

Watkins Road at Third Avenue • Phoenix, Arizona 85030

P. O. Box 4275 • Telephone: 258-5501

January 27, 1977

The Honorable Harrison A. Williams, Jr.
342 Russel Senate Office Building
Washington, D.C. 20510

Dear Sir:

May I thank you and also compliment you on the introduction of your new bill regarding the transit industry.

The enactment of the National Transportation Act of 1977 will be most helpful to transit management, but more importantly, to the transit riders that are in need of this service.

If I can be of help in any way to assure the passage of this bill, please feel free to call on me.

Thank you.

Sincerely,

J. S. Loe
General Manager

JSL:cl

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STATEMENT

TO THE

SENATE SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

BY

PATRICK A. TEMPLETON

CHAIRMAN
COMMITTEE ON PUBLIC MASS TRANSPORTATION
OF THE
RAILWAY PROGRESS INSTITUTE

AND

MANAGER
TRANSPORTATION SYSTEMS, GOVERNMENT RELATIONS
GENERAL ELECTRIC COMPANY

March 8, 1977

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Mr. Chairman and members of the Subcommittee, my name is Patrick A. Templeton, Chairman of the Committee on Public Mass Transportation of the Railway Progress Institute. The Railway Progress Institute is the national trade association of the railway equipment and supply industry.

Its Committee on Public Mass Transportation is made up of representatives from companies that supply equipment and provide services to the rail rapid transit industry. Among the companies is the General Electric Company of which I am Manager, Transportation Systems, Government Relations. Attached to this statement is the roster of our committee membership.

On behalf of RPI's Committee on Public Mass Transportation, I welcome this opportunity to submit testimony to the Senate Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing and Urban Affairs regarding S. 208, the National Mass Transportation Assistance Act of 1977.

The members of RPI's Public Mass Transportation Committee believe that passage of S. 208 is vital to the successful revitalization of this country's urban centers. Failure to enact the legislation which would provide an additional $11.4 billion during the next five years for mass transit projects would be a serious blow to the efforts of federal, state, and local planners who are designing and building bus and rail systems to eliminate the mounting urban problems of traffic congestion, air pollution, and energy waste. Ironically, the damage would be inflicted just when significant progress is being made to overcome these problems.

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As a direct result of earlier legislative assistance sponsored by the Subcommittee's able Chairman Sen. Harrison A. Williams, Jr., modern mass transportation systems are either being planned or already under construction in such places as Atlanta, Washington, D.C., Baltimore, Dayton, Detroit, northern New Jersey, Miami, Los Angeles, Denver, and Buffalo. In addition, improvements to bus and rail systems arising from this legislation have led to dramatic increases in the number of people using them. For instance, between 1971 and 1975, ridership rose 31 percent in Atlanta, 48 percent in Kansas City, 67 percent in Los Angeles, 79 percent in Denver, and 115 percent in San Diego. This increase reverses a long-time trend of decreasing ridership which began shortly after World War II.

However, without the capital and operating assistance provided in S. 208, such progress will be severely curtailed or brought to a complete halt. The reason is that federal funds remaining from earlier authorizations are insufficient to meet commitments that have already been made, much less those anticipated for the future.

Interruptions in the nation's urban transit improvement effort could have serious consequences for the entire country. The reason is our mounting energy shortage, clearly illustrated by this past winter's squeeze on heating fuel and the crunch on gasoline that occurred just three years ago. Both demonstrated that, unless major steps in conservation are taken soon, our energy problems will soon reach crisis proportions.

Mass transit systems to eliminate or at least relieve the traffic congestion of our urban areas are of paramount importance to

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the cause of energy conservation. Statistics show that transportation is responsible for 25 percent of this country's total energy consumption and for 52.6 percent of its total petroleum use with automobiles in urban areas alone consuming 34.2 percent of the transportation total.

Compared to the average commuter automobile carrying 1.4 people, a bus with 30 passengers is six times as efficient to operate in terms of passenger miles per gallon of fuel. Moreover, a subway car with 35 passengers is seven times more efficient. The implications for energy conservation are obvious.

Regarding the benefits of rail rapid transit, the RPI Committee applauds the statement of Sen. Williams, who, referring to the subway statistics, said, "These figures alone, in my opinion, justify the need to carry out the pledges made by ex-(DOT) Secretary (William T.) Coleman to various cities for federal aid in the construction of new rail transit systems."

However, the RPI Committee recognizes that neither rapid rail nor bus systems alone can fully satisfy any urban area's transportation needs and at the same time meet the immediate and future demands of energy conservation. What is required is a balanced system incorporating all transportation modes.

The National Mass Transportation Assistance Act of 1977, with its provisions for both capital and operating assistance funding to help establish and improve rail and bus service, will be of enormous benefit to cities in realizing just such a system.

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Especially important is a proposed $250-million-a-year discretionary fund which among other things could be used to help preserve commuter transportation on railroads planning to abandon such service. In this regard the RPI Committee again commends a statement by Sen. Williams in support of his bill which said, "Essential commuter railroad services are a vital, efficient, urban transportation resource which cannot be permitted to disappear."

Yet, even legislation as innovative and far sighted as S. 208 would be severely limited in its ultimate impact without the ready availability of equipment for which so much of the proposed funding is intended. Let it be said without qualification that these needs can be met. RPI member companies include some of the foremost manufacturers of rail rapid transit equipment. They are continually achieving major advances in new and improved rail rapid transportation systems and anxiously awaiting the increased demand for such equipment arising from the bill's passage.

A provision which the RPI Committee particularly applauds is one which would maintain financial assistance until 1982. The five-year authorization would be extremely helpful in encouraging urban planners to undertake long-range, mass transit projects by providing assurance that unexpected halts or cutbacks in federal assistance will not happen.

From 1972 to 1975 state and local contributions to public mass transportation increased from an annual level of $400 million to about $1.4 billion. With skyrocketing inflation plus a myriad of other budget problems, state and local governments simply cannot

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continue financial outlays of this magnitude without assurances of federal support.

By providing these assurances, the legislation would foster an enduring partnership between federal, state, and local governments capable of solving the transportation problem of our cities and, thereby, making a major contribution to the nationwide task of energy conservation.

The Committee on Public Mass Transportation of the Railway Progress Institute urges enactment of continuing, long-term federal committment to national mass transportation as found in S.208.

# # #

March 8, 1977

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3/7/77

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March 11, 1977

Senator Harrison Williams
Room 352, Russell Senate Office Building
Washington D. C. 20250

Dear Senator Williams

At the request of Senator Cranston's office I am sending you a statement regarding Senate Bill 208 which I hope will be included as a part of the public testimony pertaining to this matter.

Unfortunately it was not possible for me to attend the Public Hearings in person, and since it is my understanding that Regional Hearings will not be conducted on this matter, I am doing the next best thing by submitting my comments in writing.

I am also enclosing a copy of a proposal prepared for a California funding source which describes the basic concept of the plan that is being proposed for the lower Russian River area of Sonoma County, California.

I hope you will find both documents useful in your deliberations.

Very Sincerely

Stanley Brown
Coordinator
Russian River Transportation Project

c.c. Ed Dicks
Senator Cranston
Congressman Clausen
Members Sonoma County Board of Supervisors

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STATEMENT

TO: THE UNITED STATES SENATE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS, HON. HARRISON WILLIAMS--CHAIRMAN.

FROM: STANLEY BROWN, COORDINATOR--RUSSIAN RIVER TRANSPORTATION PROJECT.

SUBJECT: SENATE BILL S-208

Gentlemen:

I am Coordinator of the above mentioned Project which came into being with the approval and authorization of the Sonoma County Board of Supervisors and is financed from C.E.T.A. funds through a multi-purposes Community Service Organization named the Russian River Switchboard, Inc.

The project's goal and objective is to seek, solicit, and obtain the necessary funding sources for the development of a comprehensive transit system on the lower Russian River area of Sonoma County, California, an area of approximately 12,000 population.

I wish to address my comments to those sections of S-208, particularly section 6, amending Section 4 (C) of the 1974 U.M.T.A. amendments, which would permit for the use of Section 5 (operational monies) for rural transit systems.

The area our proposed system would serve is from 20--40 miles from the urban centers and is currently served by only one (1) round trip per day by Greyhound Buslines. A survey taken in July, 1975 by the State Department of Transportation (Caltrans) revealed their is less than one auto for household (.93) as compared to 1.5 nationwide, Thus many persons find themselves in a state of de-facto isolation.

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This same area has the highest un-employment and Public Assistance rate in the County, in addition to one of the highest rates of elderly.

Those on un-employment or Public Assistance and who have no private transportation of their own are virtually excluded from the employment market for inability to get to where jobs may exist. Yet at the same time they must live in the River area as they cannot afford rents in the more urban areas of the County, where possible job opportunities exist and where public transportation does exist; thus they find themselves in a Catch 22 situation.

Those elderly and handicapped who must avail themselves of medical and social services found only in the urban areas are equally disadvantaged; as is everyone who simply wants or needs to utilize or participate in the commercial, cultural, recreational, and educational facilities of the urban areas.

While a few Social Service agencies do offer limited, but inadequate, transportation services for their clientale, they do not serve a comprehensive need for the area population as a whole, especially those who need transportation to commute to jobs, training programs, higher educational facilities, or for the majority of medical services.

It is imperative if such a comprehensive transportation system is to be provided to this area and other regions through-out the Nation U.M.T.A. Section 5 funds must be provided to Rural areas as they are to Urban areas, anything less is discriminatory

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to those citizens who choose to live in rural communities.

I realize the U. S. Senate has recognized this anomaly in the U.M.T.A. Act by passing S-662 during the last session of the 94th Congress. Therefore I further request not only your favorable consideration this year, but the Senate separate those provisions in the previously passed S-662 from the overall package contained in the current S-208 and handle those as separate legislation which should allow for earlier passage, and make those sections more compatible with the provisions of the House of Representative Bill which deals only with those sections previouly included in S-662.

I cannot urge upon you enough the importance of this legislation for this and all semi-isolated rural communities of our nation. Everyday That goes by without the passage of these measures and signing into law by the President constitutes another day that citizens of rural areas will remain second class to those who live in urban areas.

Thank you.

Respectfully

Stanley Brown

Stanley Brown
Coocrdinator
Russian River Transportation Project

March 11,1977

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PRE-APPLICATION

FROM THE SONOMA COUNTY BOARD OF SUPERVISORS

TO

CALTRANS

FOR

FUNDING UNDER SENATE BILL 283 (SECTION 6)

FOR

RUSSIAN RIVER TRANSPORTATION PROJECT

Prepared by the River Switchboard
Transportation Project
Stanley Brown, Coordinator
Gerard Stong, Research Associate
April 30, 1976

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Purpose of Project and Anticipated Results

Intrinsically the need for a full service public transportation system on the lower Russian River area of the county can be recognized by almost anyone who has spent more than a casual visit to the region. However, the idyllic beauty of the area often camouflages the true nature of the situation of the region's full time residents. For those who do live there on a year round basis, realize the Social and Economic problems of the area. It's approximate 10,000 residents are very much isolated from the central population corridor of the county. Social, Health, Human, Commercial, Educational, Recreational, Cultural. and Entertainment services, readily available to residents of the more densely populated areas of the county, are minimal at best, and many times totally lacking for River residents. One very basic reason for this is the inability of area residents to get to the locations where these services are offered.

These inadequacies, while always recognized, were particularly brought to light approximately 18 months ago when the existing Health, Social, and Human service agencies in the area began meeting together to exchange ideas and share common problems affecting their services. It was soon clear that a problem common to all was the inablility of their clients to travel to population centers where needed services could be provided. In addition it was felt that one of the reasons for the River area having the highest unemployment rate in the county was the inability of potential employees to commute to the areas where jobs existed. In a way it became a "Catch 22" situation where these potential employees needed to live on the River in order to afford rents but were without transportation, which in turn isolated them

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from the jobmarket, but because of high rents in areas of potential employment they cannot afford to live there even though transportation in the area is available.

At that point in time a committee was formed to determine what would be required to bring adequate transportation to the River in order to resolve these multiple problems.

As a result of that committee several things occurred:

1. In conjunction with Caltrans, an in-depth survey of transportation needs was conducted in July of 1975.

2. A proposal for funding of a grant to develop transportation on the lower Russian River area was submitted to C.E.T.A. and in August, 1975 it was unanimously approved by the Board of Supervisors. This project became officially operational in December, 1975, and a Coordinator was hired. A Research Associate was added in March of this year.

The Caltrans survey (one of 10 done in the State) revealed many things, most significant of which are the following:

1. There exists less than one vehicle per household within the River area (.938), whereas the national average is in excess of 1.5 vehicles per household.

2. Of those persons indicating they would utilize public transportation were it available, the number of potential trips per person per month was 16. This is the highest of any area analyzed within the nine Bay area counties and ranks very high among the 150 rural areas analyzed by Caltrans throughout the State (the highest being 20, with the mean average in the State at 6 and in the Bay area 7.3).

Thus this survey bears out on a scientific basis what we had

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long known from our gut instincts. If resources from the various existing funding sources were made available for an adequate full-service transportation system within the River area, most of these multiple problems could be solved.

A map of the proposed service area is included in the appendix. Existing services in the area consist of the following: 1. privately owned vehicles; the alternatives to privately owned vehicles are: 2. a one round trip a day via Greyhound Busline; 3. a two-vehicle taxi company; and 4. hitch hiking. The Greyhound operation is marginal for the company and in talks with their representatives they have indicated an interest to divest themselves of this obligation.

As pointed out in the opening statements of this proposal, the entire project came about as the result of the concerns of various agencies and organizations with the inability of their clients to obtain needed services due to the lack of adequate transportation in the area. However, a more detailed discussion and survey of these needs is in order at this point.

A survey of social service agencies in Sonoma County was conducted by the Volunteer Bureau of Sonoma County during February, 1974.[1] The purpose of the survey was to determine the demand for and the extent to which specialized transportation was currently being provided by other agencies. Of the 45 agencies which were mailed the survey, a total of 31 forms were returned, a 69% of the agencies. Three fourths of the agencies responding indicated that their clients

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[1] These results from the survey are based on material found in JHK & Associates, Sonoma County Transportation Study (San Francisco, 1975), sec. 3, pps. 19-21.

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had difficulty in obtaining rides for essential trips such as medical visits. Two-thirds of those trips were not being met by present transportation programs.

A sample of the requests for transportation received by the Social Service Department of Sonoma County was taken to determine the trip characteristics which are encountered in serving the transportation disadvantaged population. Based on population, the Russian River and Sebastopol areas accounted for a disproportionately large percentage of the transportation assistance requests.

In summary, a total of approximately 600 transportation requests are received weekly by the reporting agencies, and most of the social service agencies believe that over 70% of the trips are not adequately served.

More recently, a telephone survey was conducted during April of this year by our transit project to determine the present transportation services and needs of the various social service agencies in relation to the Russian River area. 25 agencies were contacted and only 7 of these offered any kind of transportation services to the River area. Fifteen of the agencies, or 60%, need transportation assistance from the River area, including the 7 agencies which already offer some transportation service. Of the 10 agencies which expressed no transportation needs, 5 are Santa Rosa based programs and don't normally serve the River area. Therfore, of the 20 agencies which extend their services to the River area, 15 or 75% need transportation assistance for their clients.

The results of this latest survey are as follows:

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Social Service Agencies	Offer transportation service to River area?	Need (extra) transportation to serve their clients better?
Agency for Infant Development	No	On occasions families request transportation to Santa Rosa.
American Cancer Society	Yes: volunteers drive own cars.	Havn't needed extra help in the past, but would use transit system if it was available.
American Red Cross Redwood	No: volunteer program dwindled because of lack of drivers.	Yes: often get requests for trans. from River area to hospital and doctors; must refer to other agencies.
Birthright	No	No: needy people come to them
Catholic Community Service	No	More people would use services if transportation existed.
Community Services and Development Div.	No	No transportation needs, clients get rides with outreach workers when needed.
County Mental Health (Guernville)	No	Yes: need to get to Day Treatment Center, hospital, or Social Service Department.
Easter Seal Society	No	Yes: often need transportation with a wheel chair lift.
Family Service Agency of Sonoma	No	No: people drive in or go to closer agency when they can't get to Santa Rosa.
FISH	Offer transportation only within a 10 mile radius.	Yes often get requests for rides to Guernville and other areas not covered by agency.
Goodwill Industries	No	Only a couple of people from the River area need to get to the training center
HOPE	Yes: personal cars of staff members.	Yes: need transportation for night-time crises especially.
North Bay Human Development Corp.	Yes: individual staff cars.	Yes: some requests from the River area; would use transit system if it was available.
North Bay Regional Center	No	Yes: requests for trans. to workshops, medical appointments and diagnostic treatments.

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Social Service Agencies	Offer transportation service to River area?	Need (extra) transportation to serve their clients better?
Orenda Services	Yes: have use of an agency car untill June	Yes: groups in Year Program for continuing care need rides.
Redwood Empire Industries	No	No: have their own vans.
Retired Senior Volunteer Program	No: just locally.	
Russian River Health Center	No	Yes: quite a few patients need rides to hospitals for X-rays and special treatments that can't be administered at the River facilities.
Russian River Switchboard	No	Yes
Senior Opportunity Services	Yes: one van goes to River area 1 day/week.	Yes: van can carry only 11 passengers.
Social Advocates for Youth Inc.	No	No transportation needs.
Sonoma County Council on Aging	Yes: one van, 1 day a week; another van is expected to be in operation within the month to cover another day.	Yes: especially need local trans. within area. Many of the elderly are confined to wheel chairs and walkers, and need special provisions.
Sonoma County Indian Health Project	Yes: limited trans. from 3 personal staff cars.	Yes: clients from Forestville, Sebastopol, and River area often need rides to hospital, Social Services, and Veterans.
Sonoma County Native American Senior Service Center	No: just locally	
Sonoma County People for Economic Opportunity Inc.	No	No: refer people to Senior Opportunity Services.

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The Russian River Transportation Project will make available its transportation services to all of these agencies and others on a demand-responsive basis so that thier transportation needs may be readily met. The planned integration of this transit project with the social service agencies will enable them to better serve their programs by providing service to clients who presently have difficulty getting to needed services.

In order to provide transportation service to such low-mobility groups as the handicapped and the elderly, who are confined to wheel chairs or walkers, the Russian River Transit Project will have wheel chair lifts installed on all vehicles used in the transit system.

The Sonoma County Council on Aging presently supplies transportation without a lift to the River area only one day a week, and has need for transportation equipped with a wheel-chair lift. According to the agency, many of the elderly in the Russian River area are immobilized at home because they are confined to wheel chairs or walkers and have trouble even getting into automobiles.

The Easter Seal Society, which does not offer transportation service to the River area, often receives requests from that area for transportation equipped to transport wheelchairs.

Another provision for the hadicapped and elderly that will be included in the River Project is a modified dial-a-ride system. In this type of system, vans operating on a demand-responsive basis can divert from their fixed routes by way of radio dispatch to the house of an individual who has special needs.

As well as provide special services for the hadicapped and the elderly, this transit system will provide a critical public

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service to other groups of people with little or no access to an automobile. The lack of public transportation in the River area prevents these people from having the same employment, educational, social, and recreational opportunities that are available to the general public.

Extent to which the project is compatible with community environmental objectives.

In the Transportation Element of the Sonoma County General Plan, Goal P states:

> It shall be the Goal of Sonoma County to have the transportation system developed in a manner which minimizes air and noise pollution.[2]

To this end the Russian River Transit Project is conducting research for a comparative analysis of the vans and buses considered for use in its transit system. Criteria for such analysis will include noise levels, measured in decibels (db), produced by each vehicle studied. Also included in the vehicle analysis will be a comparison of the emission levels produced by each vehicle. These emission levels will be based on the new vehicle standards as set forth by the State of California Air Resources Board. Results of the analyses of noise and emissions levels will be given utmost consideration in the final selection of vehicles for transit use.

Since residential areas are considered noise sensitive land uses, only those buses which produce noise levels within the County recommended standards for residential areas will be considered for transit use in the Russian River area. After the transit system

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[2]Advanced Planning Division, Sonoma County Planning Department, Transportation Sonoma County General Plan Summary (Santa Rosa, 1975), p. 85.

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is in operation, all vehicle will be kept within the noise limits set by the California Vehicle Code and the County Noise Ordinance.

To minimize air pollution, a diesel-powered bus is considered more favorable than a gasoline-powered one for use as the fixed-route bus in the system. Compared with a gasoline engine, a diesel engine has lower emissions, lower fuel consumption at idle and at low engine speeds, and more efficient fuel utilization.

Organizational Structure and Service Area.

We propose that a private non-profit Corporation, representative of all elements of the River Community, be formed for the purpose of directing the operation of the River Transit System, and that this Board sub-contract with this Corporation for that purpose and channel all necessary funds from whatever source to that Corporation.

The Corporation would then determine such policies as routes, schedules, frequency of service, rate structures and other management policies.

The area to be served would include the entire lower Russian River area extending from Forestville to Jenner, and from Camp Meeker to Cazadero with arterial runs to the Santa Rosa and Sebastopol areas. Possible stops in Santa Rosa would include Coddingtown, County Administration Center, Community Hospital, Santa Rosa Junior College, and Old Courthouse Square where patrons could connect with the Santa Rosa Municipal Transit, or Golden Gate Transit for other destinations.

Financing the System.

A number of sources are available for the funding of the pro-

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posed Transit system and they are outlined as follows, with the utilization of each source recommended.

There are currently five possible sources (with a sixth pending) for funding of a Transportation system for the River area. These are:

A. U.M.T.A.--In 1974 the Urban Mass Transportation Act was amended to provide, for the first time, funds for the development of Rural transportation systems. Under section 4C of that act, 500 million dollars is available over the next sic years for such rural projects. These funds are available on a matching 80% (Federal) and 20% (State or Local) basis for capital costs only. No money for operational costs are available to rural projects at this time. However, legislation has been introduced in both Houses of Congress to change this. Both bills H.R. 3155 and S. 662 are currently in committee in their respective Houses and it is not known when they might reach the floor to be acted upon.

B. State Senate Bill 283--This is newly enacted legislation which makes $4 million available statewide over the next 3 years for various types of Transportation Demonstration projects. of this amount $1 million (Section 6) is designated for rural transportation projects.

C. T.D.A.--The Board of Supervisors has discretion over the utilization of un-committed Transportation Development Act funds. Part of these funds could be made available to the River area for both the 20% matching capital funds from U.M.T.A., as well as an amount for operating expenses. The River being an un-incorporated area has no direct entitlement to these funds (such as the County's incorporated cities have) even though, on a per-capita basis, it

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generates the highest sales tax revenues in the county--the source of T.D.A. funding.

D. Revenue Sharing Contingency Funds--The Board could authorize the use of part of these funds for either capital or operational expenses. However, these funds cannot be used as matching funds for other Federal monies such as U.M.T.A. .

E. Farebox Revenues--Once the system is operational it will generate its own revenues in the form of farebox receipts. The extent of these funds cannot be known until such time as a rate structure and ridership are determined. Whatever funds are generated could be applied to operational costs. However it must be recognized that no public transportation system in the nation is self-sustaining or operates without subsidies, direct or indirect.

F. There is currently pending befor the State Legislature, a bill which would enable all counties in the state the discretion to impose an additional ½ cent sales tax for the sole purpose of supporting public transportation such as is currently being done in the three BART counties.

Proposal and Recommendations.

A. The Board apply for funds for operating expenses in the amount of $100,000 from S. B. 283 funds.

B. Upon determination of capital costs, the Board apply to U.M.T.A. under section 4C for 80% of capital costs.

C. The Board allocate out of T.D.A. funds the 20% matching share for the U.M.T.A. Capital grant, and an additional amount from T.D.A. monies to cover operational costs that are not met from S.B. 283 monies, farebox revenues, or Revenue Sharing money.

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D. The Board obligate an amount, to be determined, from the Revenue Sharing Contingency fund to support un-met operational costs.

E. That at such time U.M.T.A. funding may be available for operational purposes, the Board apply for such funds, utilizing first farebox revenues and then if needed, T.D.A. monies as the required matching share.

The on-going funding of the system after the three years of S.B. 283 monies could be accomplished in several ways.

1. It is anticipated that U.M.T.A. Section 4C funds would be made available for operational costs and that the Act would be extended beyond its current six-year life.

2. T.D.A. funds would continue to be available.

3. A transit district would be formed within the county with taxing authority.

4. The pending legislation allowing counties to assess a ½ cent sales tax for transportation purposes, would be enacted and the county would opt to do so.

5. With the recognition of public transit as a national priority, other means of subsidization would be created.

Recommended budgets are included in the appendix and are of various ranges given different variables. All non-S.B. 283 monies are to be made up of Federal, other State, and local funds.

Timetable.

This project can be operational within the required six months assuming approval by the various funding sources are forthcoming

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within that time. The delivery time for vans is 60 days for most manufacturers, plus 2 days for the installation of wheel chair lifts. The order times for buses vary from the earliest of 30-60 days for one manufacturer, to up to a maximum of 120 days for some others.

Evaluation and Cost Benefit Factors.

Until such time as actual ridership levels are determined, it is impossible to develop an accurate system of evaluating the effectiveness of the system, however, the Caltrans survey did project a potential ridership of 16 trips per person, per month, the highest in the nine Bay Area Counties and one of the highest in the State.

Cost-benifit factors are difficult to arrive at since such intangibles as a person being able to gain employment, improve his health, or just generally enjoy a better way of life because his assessibility to various services and activities are enhanced by the availability of an adequate transportation system.

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PROJECTED FUNDING SOURCES

Senate Bill 283 (Operational Costs)	$100,000
U.M.T.A. Section 4C (Capital Costs)	$100,000
Transportation Development Act Monies and Farebox revenues (Operatioanal Costs)	-$75,000
Total Costs for First Year	$275,000
Subsequent Year cost	$175,000*

* Plus cost of living increase

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BUDGET PROPOSAL "B"

BUDGET (4 vans, 1 bus--6 days a week x 16 hours a day)

VARIABLES		LOW	HIGH
	Capitalizations		
	*Vans (4) @ $10-12,000	40,000	48,000
	Bus (1) @$20-25,000	20,000	25,000
	Communications $10-15,000	10,000	15,000
	Shelters 15-20 @ $1-1,500	15,000	37,500
	Equipment (Office, Furn, etc)	5,000	7,500
	TOTAL CAPITAL COSTS	90,000	133,000
	Operating Costs		
	Personnel		
	Manager	12,500	17,500
	Asst. Manager	12,000	12,000
	Sec-Bookkeeper	8,000	8,000
X	Drivers @ $4-$5 per hour (10 drivers)	83,200	104,000
		120,700	141,500
	Fringe - 20% of Personnel	24,140	28,300
	TOTAL PERSONNEL	144,840	169,800

*One Van in reserve

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BUDGET "B"

VARIABLES	LOW	HIGH
Non-Personnel		
Rent-Office @ $250 x 12 mons	3,000	3,000
Storage yard @ $75 x 12 mons	900	900
Consumables @ $100-150 mon	1,200	1,800
Telephone @ $150-200 mon	1,800	2,400
Maintenance $1-1,500 per year per vehicle	5,000	7,500
Fuel @ 90-120 min. headways		
Vans	7,254	10,003
Bus	8,986	12,355
Contingency Fund	5,000	5,000
TOTAL NON-PERSONNEL	33,140	42,958
TOTAL OPERATING COSTS	177,980	212,758
TOTAL BUDGET	267,980	345,758

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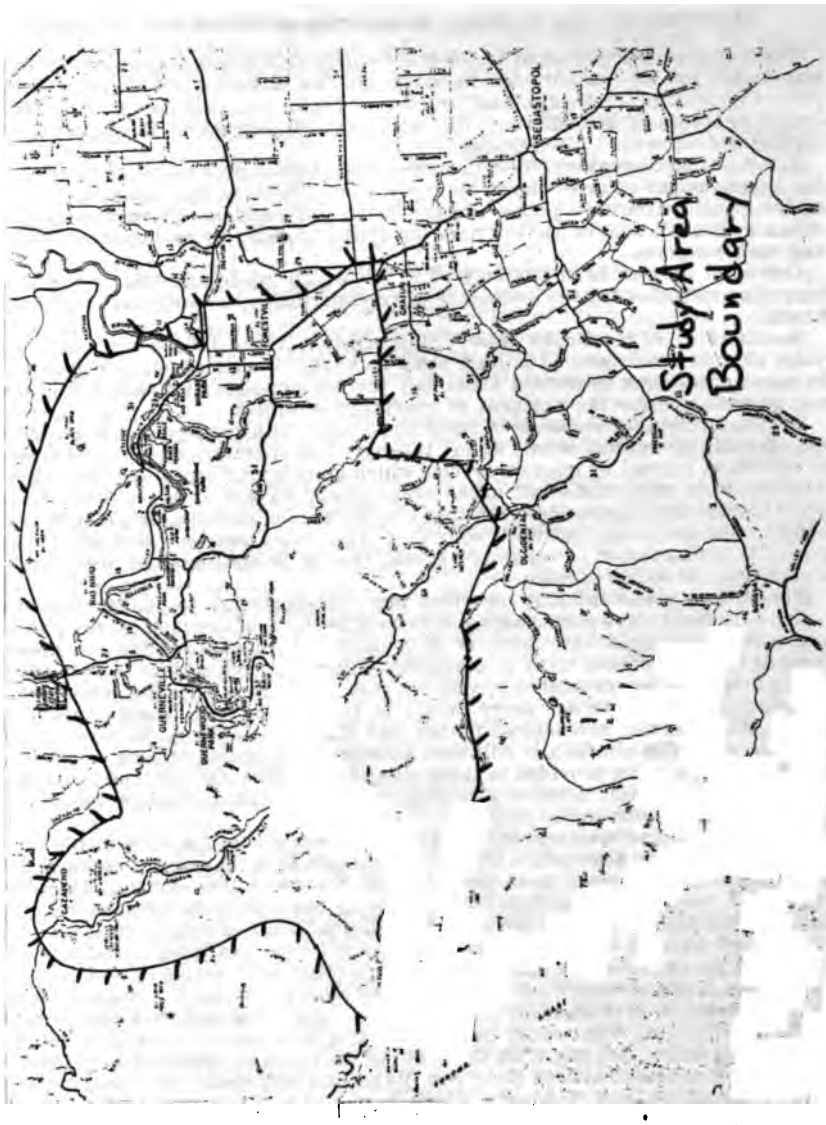

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STATEMENT OF THE NATIONAL ASSOCIATION OF MOTOR BUS OWNERS

The National Association of Motor Bus Owners (NAMBO) is the national trade association for the intercity bus industry. Its two largest members are my company, Continental Trailways, and Greyhound Lines, Inc. Collectively, the 450 operator members of NAMBO provide more than 90 percent of the intercity bus transportation in the United States.

S. 208 authorizes expenditures in excess of $11 billion over a five-year period for the improvement of urban mass transportation. The time has come to launch a major effort to improve public transportation for residents of rural and small urban areas. We believe the intercity bus industry can play an important role in any such program.

Our chief interest is in section 6 of S. 208 which would authorize payment of operating subsidies for the assistance of transportation in rural and small urban areas.

Section 4(c) of the Urban Mass Transportation Act of 1964, as amended, provides that not to exceed $5 million shall be available exclusively for assistance in areas other than urbanized areas, but further provides that such funds shall not be available for the payment of operating subsidies.

Transportation for residents of rural and small urban areas cannot be improved significantly by capital grants alone. Intercity bus operators cannot be expected to maintain, expend, or improve service which must be performed at a loss. People who reside in rural and small urban areas should have convenient public transportation to employment opportunities, health care institutions, shopping centers, educational facilities, cultural activities, and other services and attractions normally concentrated in urbanized areas; that is, in metropolitan areas having a population of 50,000 or more.

The intercity bus industry provides bus transportation to 16,000 cities and towns; 15,000 of these communities have no other form of common carrier passenger service available. Our industry is concerned with maintaining the present level of service to these many communities. Certainly such service is jeopardized if the private operator cannot recoup his cost at the fare box. The intercity bus industry believes there are many people in rural areas who would avail themselves of the service now offered if they had the funds to do so. Because of this, we hope that this committee will also address the problem of how to preserve the service now being provided to these many rural areas. One method of increasing ridership in areas already provided with public transportation would be a Federally funded bus stamp program.

It is important to maintain service to these communities for without the intercity bus there is no alternative but the automobile. It is the present policy of this government to encourage more use of pubilc transportation systems. Moreover, the switch from the automobile to the intercity bus results in significant energy savings. The intercity bus is the most fuel efficient mode of transportation.

Although Federal operating assistance has not been available to the intercity bus industry, the intercity bus industry has already been active in seeking innovative means of addressing our rural transportation problems. For example, intercity bus services performed by some carriers under contract with the State of Michigan illustrate what could be accomplished on a national scale. Greyhound has entered into a contract with the State of Michigan to operate a new route in the Upper Peninsula between Sault Ste. Marie and Marquette through the county seats of Munising and Newberry which have not had bus service for some 30 years. If fare box revenues fail to meet operating costs, State assistance is provided under the terms of the contract.

A number of other States are deeply concerned about the disappearance of intercity bus service and are studying ways in which intercity bus service can be made a part of State transportation programs. The States of Oregon, Nebraska, Tennessee, New York, New Jersey and Wisconsin have been particularly active. The State of Wisconsin, for example, is publishing a six-volume study on intercity bus transportation in the State.

In the first volume of that study, just recently published, the report notes that ridership on scheduled intercity buses declined by 18 percent between 1968 and 1975. The report further points out that the intercity bus industry's share of intercity travel declined nationwide from 2.5 percent to 1.9 percent of the total between 1966 and 1975. This is especially unfortunate when it is considered that the intercity bus is the most economical form of transport, the most energy-efficient and the one which is most compatible with environmental considerations.

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As noted in the Wisconsin report, 349 incorporated communities in Wisconsin are served by intercity bus. However, there are 221 incorporated communities in Wisconsin not served by intercity bus, 54 of which have a population in excess of 1,000.

Our Association offers for the subcommittee's consideration a proposed amendment to S. 208 which is set forth in the Appendix to this statement. Under the amendment we have suggested, intercity bus operators who could no longer provide service to rural and small urban communities except at a loss would apply to the State regulatory commission either for authority to discontinue the service or to continue it with Federal operating assistance. If the State regulatory commission found a public need for the service in question, it would forward the application to the Department of Transportation recommending that the service be continued under a contract with the appropriate State agency. Under such contractual arrangements existing service on the verge of discontinuance could be supported and new service fulfilling an important public need could be instituted.

The amendment we have proposed would also confine subsidies for the improvement of intercity bus transportation to privately-owned companies; would bar subsidies for intercity bus service which is competitive with the service of another privately-owned operator; and would provide that the Federal grant for payment of operating subsidies shall not exceed passenger revenues derived from the subsidized service.

Under the amendment we have submitted, operating subsidies for the continuation, extension, or improvement of intercity bus transportation, could be provided in the following manner. An intercity bus operator who could no longer provide service to rural and small urban communities except at a loss could apply to the appropriate State agency either for authority to discontinue the service or to continue it with Federal operating assistance. If the State agency found that the service in question was required by the public convenience and necessity, it would forward the application to the Department of Transportation recommending that the service be continued under a contract with the State. Under such a contract, the intercity bus operator might undertake to perform the service found to be necessary at $1.10 per bus-mile, for example, and to return all passenger revenues derived from the operation to the contracting agency. Under such contractual arrangements existing service now threatened with abandonment could be provided at a relatively modest cost.

If the subcommittee does not intend to authorize payment of subsidies for the improvement of intercity bus transportation, we believe that intention should be made clear by amending section 6 so that the only transportation eligible for such assistance would be that performed "wholly within" rural areas and small urban areas; that is, no grants would be made for the assistance of intercity bus transportation.

Privately-owned bus companies should not be confronted with the subsidized competition of States and their local public bodies. We do not believe the Congress wants to foster such competition. For that reason we hope the amendment to section 4(c) of the Urban Mass Transportation Act will either bar subsidies for intercity bus transportation or will authorize such assistance with appropriate safeguards. We prefer the latter course.

In conclusion, I wish to thank the subcommittee again for the privilege of appearing here today and presenting the views of the intercity bus industry on the way in which we might contribute to the improvement of transportation in rural and small urban areas.

Substitute for Section 6 of S. 208

Operating subsidies in rural and certain urban areas

Section 1. The last sentence of Section 4(c) of the Urban Mass Transportation Act of 1964 is amended by striking out "for assistance in areas other than urbanized areas (as defined in section 5(a)(3))," and inserting in lieu thereof "for operating and capital assistance to improve public mass transportation in rural and small urban areas."

Sec. 2. As used in this Act—

(a) "Small urban area" means any place not included in an urbanized area (as defined in section 5(a)(3) of the Urban Mass Transportation Act of 1964) and having a population of five thousand to fifty thousand.

(b) "Rural area" means any area of a State not included in either an urbanized area or a small urban area.

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(c) "Appropriate State agency" means the agency of the State engaged in the regulation of the rates and service of motor carriers, or, if no such agency exists, the Governor of the State or his designee.

(d) "Intercity bus service" means mass transportation which provides to the public service between rural and small urban areas, between small urban areas, and between such areas and urbanized areas, but does not include local service or, for purposes of subsidy eligibility, schedules on which more than 50 percent of the passengers are traveling between urbanized areas.

(e) "Existing intercity service" means regularly scheduled intercity bus service or addition of schedules to existing intercity bus service.

(f) "New intercity service" means initiation of service between points over routes not receiving any intercity bus service.

(g) "Non-competitive existing intercity service" means service offered by one intercity bus operator only.

(h) "Local service" means service between points in a rural area, on the one hand and, on the other, small urban or urbanized areas where the distance involved does not exceed 25 miles or the distance to the nearest practical point of interchange with an intercity bus operator, whichever is the greater.

SEC. 3. Grants for assistance to continue, establish, or improve public mass transportation in such areas, including grants for new and existing service, shall be subject to such terms, conditions, requirements, and provisions (similar as may be appropriate to those applicable to grants under section 5 of the Urban Mass Transportation Act of 1964) as the Secretary may determine to be necessary or appropriate for such purpose, except that:

(a) The first two sentences of section 5(e) shall be applicable to grants for the improvement of transportation other than privately-owned intercity bus service;

(b) In making grants for the improvement of local service, preference shall be given to private bus operators who, during the one-year period preceding the date of application for such a grant, have lawfully provided regular route common carrier passenger transportation service to or within the general area of such local service;

(c) The Secretary shall not pay subsidies for intercity bus service which the appropriate State agency or the Secretary finds to be competitive with the service of a privately-owned intercity bus operator;

(d) No Federal grant for the payment of operating subsidies for intercity bus service during the second and subsequent years of operation shall exceed passenger revenues derived from the subsidized service;

(e) No subsidy for local service shall be extended to persons other than privately-owned intercity bus operators unless the operations subsidized are performed by vehicles with gross vehicle weight not exceeding 7,500 pounds; and

(f) In areas possessing non-competitive existing service the Secretary is authorized to pay subsidies for operating expenses for the continuation or improvement of intercity bus service, except that no such payments shall be made unless fifty percent of the passengers carried on the schedule originate or terminate in a rural or small urban area and the schedule does not exceed 200 miles in length; provided that such mileage limitation shall not be applicable to any schedule serving not more than two non-contiguous urbanized areas.

SEC. 4. (a) Applications under this Act for the payment of operating subsidies for the assistance of intercity bus service shall include the following certifications—

(1) that adequate opportunity has been afforded for the appropriate State agency to hold public hearings and to advise the Secretary whether a public need exists for the continuation, establishment, or improvement of the intercity bus service proposed to be assisted;

(2) that the applicant is a privately owned bus system and is not owned or controlled, directly or indirectly, by any State, public agency, or local public body; and

(3) that the Federal grant for payment of operating subsidies during the second and subsequent years of operation will not exceed passnger revenues derived from the intercity bus service proposed to be assisted.

(b) With respect to the applications of private bus oerators approved under this Act, all payments shall be made by the Secretary to the Governor or his designee.

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SEC. 5. It is hereby declared to be the national transportation policy that any Federal assistance, for either capital grants or operating subsidies, shall be so used as to promote the continuation and development of privately owned intercity bus service.

STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY
DEPARTMENT OF REHABILITATION,
Sacramento, Calif., March 15, 1977.

Hon. HARRISON A. WILLIAMS, Jr.,
Chairman, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR SENATOR WILLIAMS: Thank you for the opportunity to comment on your bill S. 208. We have received the measure, and find it generally excellent in providing for the transportation needs of elderly and handicapped persons. There are a few modifications, however, that we feel should be made to strengthen the intent of the legislation: The bill's proposed language for Section 16(b)(1) should be modified to read:

"Effective immediately, any new vehicle, station, building, or other structure for any new *mass transit system* or for any new extension to an existing *mass transit system*, if the extension forms a usable segment, and any other new vehicle integrated with such a system shall be subject to accessibility standards issued by the Secretary, Standards issued under this paragraph shall insure accessibility by elderly and hapdicapped persons."

The use of "mass transit system" in lieu of "rapid rail system" will include and make buses and bus stations, buildings or other structures used for bus systems subject to accessibility standards under the provision of Section 16(b)(1).

The "when feasible" phrase should be dropped to preclude the use of feasibility studies to circumvent the intent to provide accessible public transit systems. Many transit operators and transportation planners insist that substitute specialized services are superior and less expensive than fully accessible mass transit systems. Here in California, our studies indicate that fully accessible conventional fixed route systems *and* some specialized supplemental services (for those that still could not use public transportation) would cost between $17 to $21 million per year. On the other hand, we estimate that segregated, specialized services which provide *equivalent* accessibility would cost between $32 to $60 million per year. Those that argue for "cheaper" alternatives apparently are not thinking of providing totally *equivalent* services that, in the extreme, would duplicate the existing system and services being provided. We also contend that the more expensive separate substitute services would be the first to be cut back or eliminated in a money crunch.

In order to alleviate these concerns, we urge to you delete the "when feasible" from Section 16(b)(1), and to modify Section 16(b)(2) to read:

"The Secretary shall require that mobility for elderly and handicapped persons is available in each urbanized area requesting a grant or loan under this Act. The Secretary shall determine that this requirement is being met if the applicant demonstrates detailed plans for meeting this requirement by the provision of a wheelchair accessible regular fixed route system within a reasonable time period. In order to assure such effective mobility, the Secretary shall prescribe the use of all or such portion of such grants or loans as are necessary to be utilized for the purchase of wheelchair accessible buses or other step entry vehicles."

California is well underway in its efforts to provide full accessibility to its conventional fixed route bus systems. The Southern California Rapid Transit District has contracted to buy 200 accessible buses. Santa Clara County is committed to purchase 100 accessible buses and to modify 200 regular buses by adding lift devices. The San Francisco Municipal Street Railway has also adopted a policy of full accessibility. These three transit operators alone control over 50 percent of the existing transit vehicles in California.

Again, I thank you for giving us the opportunity to comment on your bill. Also, I want to express my deep appreciation for your concern and interest in providing accessible transportation for the elderly and handicapped.

Please call on me personally if you should need background information or more detailed cost data to support our figures.

Sincerely,

EDWARD V. ROBERTS, *Director.*

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